



**METROPOLITAN NORTH GEORGIA
WATER PLANNING DISTRICT**

ATLANTA, GEORGIA

FINANCIAL STATEMENTS

For the Year Ending December 31, 2023

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT

TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1-2
FINANCIAL SECTION	
Independent Auditor's Report.....	4-6
Management's Discussion and Analysis	7-11
Financial Statements:	
Governmental Fund Balance Sheet and Statement of Net Position.....	12
Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities	13
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	14
Notes to Financial Statements.....	15-23
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25-26

INTRODUCTORY SECTION



April 24, 2024

Members of the Metropolitan North Georgia Water Planning District

Ladies and Gentlemen:

We are pleased to present the annual financial report of the Metropolitan North Georgia Water Planning District (the “District”) for the year ended December 31, 2023. The report is issued pursuant to Georgia law requiring all Governmental Entities to publish a complete set of financial statements within six months of the close of each fiscal year. The report must conform to generally accepted accounting principles (GAAP) and be audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. The audit must also be conducted in accordance with auditing standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

This report consists of management’s representations concerning the finances of the District. Consequently, District management assumes full responsibility for the completeness and reliability of all the information presented. To provide a reasonable basis for making these representations, the District’s management has established a comprehensive internal control framework. It is designed both to protect the District’s assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the District’s financial statements in conformity with GAAP. The District recognizes that the cost of internal controls should not outweigh their benefits. Accordingly, the District has designed its controls in a way that provides reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Nichols, Cauley & Associates, LLC, a firm of licensed certified public accountants, has audited the District’s financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the year ended December 31, 2022, are free of material misstatement. The independent auditor concluded, that the District’s financial statements present fairly, in all material respects, the respective financial position of the governmental activities and general fund information of the District, as of December 31, 2022, and the respective changes in financial position, thereof for the year then ended are in conformity with accounting principles generally accepted in the United States of America.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Metropolitan North Georgia Water Planning District

The District, created in 2001, is charged with coordinating the development of regional and watershed specific plans for Stormwater Management, Wastewater Management, Water Supply, Water Conservation, and the General Protection of Water Quality.

The District's Board consists of county and city public officials from the 15-county area of north Georgia including, Bartow, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Hall, Henry, Paulding, and Rockdale counties, and appointed citizen members. The District counties lie within the boundaries of five major river basins: the Chattahoochee, Etowah, Flint, Ocmulgee and Oconee Basins.

The annual budget serves as the foundation of the District's financial planning and control. The District is structured to operate according to a calendar year. In 2022, the Board approved the 2023 Budget to keep the per capita local dues assessment at \$0.25. This rate provided \$1,398,593 in local dues for the District's calendar year 2023 Budget.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates. The District's primary revenue sources are dues paid by member local governments as determined by the Governing Board and state appropriations.

Cash Management Policies and Practices

District policy authorizes investments in obligations of the United States (and of its agencies and instrumentalities), bonds or certificates of indebtedness of the state of Georgia (and of its agencies and instrumentalities), repurchase agreements where the underlying security is one of the foregoing certificates of deposits and the State of Georgia's Local Government investment pool (Georgia Fund 1).

The preparation of the report was accomplished through a cooperative effort of District support staff.

Respectfully Submitted,

Glenn Page, PE
Chairman, Metropolitan North Georgia Water Planning District

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board Members of the
Metropolitan North Georgia Water Planning District
Atlanta, Georgia

Auditor's report (continued)

Auditor's report (continued)

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2023

This discussion and analysis of the **Metropolitan North Georgia Water Planning District's** (the "District") financial performance provides an overview of its financial activities for the period from January 1, 2023, through December 31, 2023, based upon currently known facts. Please read it in conjunction with the transmittal letter and the District's financial statements.

Financial Highlights

During the period, the District had expenses of \$1,614,461, as compared to \$1,526,965 in the prior year.

The District's only fund, the General Fund, reported revenues in excess of expenditures of \$42,625 for the current year.

Actual expenditures for the year of \$1,614,461 were less than amended budgeted expenditures by \$85,908. Actual revenues of \$1,657,086 were less than amended budgeted revenues by \$757.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of combined presentation government-wide and fund financial statements and notes to the financial statements.

Government-wide financial presentation. The *government-wide financial presentation* is designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position column of the Governmental Fund Balance Sheet and Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities column of the Governmental Fund Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial presentation distinguishes functions of the District that are principally supported by grants and regional appropriations (*governmental activities*). The government activities of the District include general government, general government overhead, and all grant funded activities.

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2023

This District has no component units.

Governmental fund presentation. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial presentation, governmental fund financial statement presentation focuses on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented under the *governmental fund presentation* with similar information presented for *governmental activities* in the government-wide financial presentation. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and statement of net position and the governmental fund statement of revenues, expenditures, and changes in fund balance and statement of activities provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

This District maintains one governmental fund, the General Fund.

Budget to Actual Analysis

The District adopts an annual budget for its general fund. The budgetary comparison statement for the general fund demonstrates adherence with this budget.

Overall, District expenditures were \$85,908 less than amended budgeted expenditures primarily due to lower than expected costs for salaries and fringe benefits, indirect costs, and public education.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. For the District, assets exceeded liabilities by \$991,311 on December 31, 2023 as compared to \$948,686 on December 31, 2022. The District's policy is to strive to maintain a minimum fund balance of \$300,000.

**METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2023

Financial Analysis of the Governmental Funds

The focus of the District's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the period.

As of the end of the current period, the District's governmental fund reported an ending unassigned fund balance of \$991,311 which was the same balance reported in the government wide financial statements as unrestricted net position.

The following table summarizes the financial condition on December 31, 2023 and 2022 and the activities for the years ended December 31, 2023 and 2022.

**METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2023

CONDENSED FINANCIAL DATA

	Governmental Activities 2023	Governmental Activities 2022
Current and other assets	\$ 3,048,597	\$ 3,242,677
Total assets	3,048,597	3,242,677
 Total liabilities	 2,057,286	 2,293,991
 Net position		
Unrestricted	991,311	948,686
Total net position	\$ 991,311	\$ 948,686
 Expenses		
Executive office expenses	\$ 937	\$ 396
Salaries	540,822	538,768
Fringe benefits	233,810	270,396
Contracts	299,097	303,707
Overhead	346,260	312,335
Miscellaneous operating	103,117	48,388
Public education	90,418	52,975
Total expenses	1,614,461	1,526,965
 Program revenues		
State grants	250,000	250,000
Total program revenues	250,000	250,000
 Net program (expense) and program revenue	 (1,364,461)	 (1,276,965)
 General revenues		
Regional appropriations	1,398,593	1,208,186
Miscellaneous fees	8,250	24,805
Interest	243	226
Total general revenues	1,407,086	1,233,217
 Change in net position	 \$ 42,625	 \$ (43,748)

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2023

Economic Factors and Next Year's Budget

Funding for the District is based on a combination of State funds and local dues. For 2022, the District member governments committed to an assessment of \$0.25 per capita based on the 2010 Census figures. Following the release of the 2020 Census figures, the District's Governing Board voted to maintain the same \$0.25 per capita dues rate which increased dues for 2023 to \$1,398,592.50. Dues for 2023 collected in 2022 were reported as unearned revenue in 2022.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Atlanta Regional Commission, 229 Peachtree Street, N.E., Suite 100, Atlanta, Georgia 30303.

FINANCIAL STATEMENTS

**METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
GOVERNMENTAL FUND BALANCE SHEET AND
STATEMENT OF NET POSITION**

December 31, 2023

	<u>Governmental General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash and cash equivalents	\$ 2,839,864	\$ -	\$ 2,839,864
Receivable from local governments	208,733	-	208,733
Total assets	<u>\$ 3,048,597</u>	<u>-</u>	<u>3,048,597</u>
LIABILITIES			
Accounts payable	\$ 533,693	-	\$ 533,693
Unearned revenue	1,523,593	-	1,523,593
Total liabilities	<u>2,057,286</u>	<u>-</u>	<u>2,057,286</u>
FUND BALANCE/NET POSITION			
Fund balance:			
Unassigned	991,311	(991,311)	-
Total fund balance	<u>991,311</u>	<u>(991,311)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 3,048,597</u>		
Net position:			
Unrestricted		991,311	991,311
Total net position		<u>\$ 991,311</u>	<u>\$ 991,311</u>

The accompanying notes are an integral part of this statement.

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

	Governmental General Fund	Adjustments	Statement of Activities
	<u> </u>	<u> </u>	<u> </u>
Expenditures/expenses:			
Chairman's Allowance	\$ 937	\$ -	\$ 937
District Planning Function:			
Salaries	540,822	-	540,822
Fringe benefits	233,810	-	233,810
Contracts	299,097	-	299,097
Overhead	346,260	-	346,260
Miscellaneous operating	103,117	-	103,117
Public education	90,418	-	90,418
Total expenditures/expenses	<u>1,614,461</u>	<u>-</u>	<u>1,614,461</u>
 Program Revenues			
Operating grant and contributions:			
State grant	250,000	-	250,000
Total program revenues	<u>250,000</u>	<u>-</u>	<u>250,000</u>
 Net program (expense) and program revenue	(1,364,461)	-	(1,364,461)
 General Revenues			
Regional appropriations	1,398,593	-	1,398,593
Miscellaneous fees	8,250	-	8,250
Interest	243	-	243
Total general revenues	<u>1,407,086</u>	<u>-</u>	<u>1,407,086</u>
 Excess(deficit) of revenue over expenditures	42,625	(42,625)	-
 Change in net position	-	42,625	42,625
 Fund balance/net position beginning of year	<u>948,686</u>	<u>-</u>	<u>948,686</u>
 Fund balance/net position end of year	<u>\$ 991,311</u>	<u>\$ -</u>	<u>\$ 991,311</u>

The accompanying notes are an integral part of this statement.

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	Original Budget	Amended Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Regional appropriations	\$ 1,398,593	\$ 1,398,593	\$ 1,398,592	\$ -
State grants	250,000	250,000	250,000	-
Miscellaneous fees	20,000	9,000	8,250	(750)
Interest	250	250	243	(7)
Total revenue	<u>1,668,843</u>	<u>1,657,843</u>	<u>1,657,086</u>	<u>(757)</u>
Expenditures				
Chairman's Allowance	3,000	2,000	937	1,063
District Planning Function:				
Salaries	578,073	560,000	540,822	19,178
Fringe Benefits	336,439	263,200	233,810	29,390
Contracts	180,000	307,199	299,097	8,102
Overhead	396,898	367,970	346,260	21,710
Miscellaneous Operating	75,000	90,000	103,117	(13,117)
Public Education	100,000	110,000	90,418	19,582
Total expenditures	<u>1,669,410</u>	<u>1,700,369</u>	<u>1,614,461</u>	<u>85,908</u>
Excess (deficit) of revenues over expenditures	(567)	(42,526)	42,625	<u>\$ 85,151</u>
Fund balance at beginning of year	<u>734,702</u>	<u>948,686</u>	<u>948,686</u>	
Fund balance at end of year	<u>\$ 734,135</u>	<u>\$ 906,160</u>	<u>\$ 991,311</u>	

The accompanying notes are an integral part of this statement.

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE A – SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Financial Reporting Entity

On April 5, 2001 the Georgia General Assembly and Governor Roy Barnes with the signing of State Bill 130 established the Metropolitan North Georgia Water Planning District (the “District”). The District was established to develop regional and watershed specific plans for storm water management, wastewater management and water supply and conservation in a 16-county area - Bartow, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Hall, Henry, Paulding, Rockdale and Walton. In July 2008, the Georgia Environmental Protection Division reassigned Walton County to the newly formed Upper Oconee Water Planning Region.

The District’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

For the District, financial statements consist of the following:

- Management’s Discussion and Analysis
- Basic Financial Statements
 - Combined government-wide and fund financial statements. Due to the single purpose nature of the District, the government-wide and fund financial statements have been presented together with an adjustments column reconciling any differences between the two statements.
 - Notes to the financial statements

The District’s financial statements include the accounts of its functions and activities. There are no component units.

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE A – SUMMARY OF ACCOUNTING POLICIES (Continued)

2. Government-wide and Fund Financial Statements

The government-wide presentation columns include the “Statement of Net Position” column in the Governmental Fund Balance Sheet and Statement of Net Position and the “Statement of Activities” column of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities. This governmental presentation reports activities, which are normally supported by regional appropriations, intergovernmental revenues and grants.

The statement of activities column demonstrates the degree to which the direct expenses of the District are offset by program revenues, if any. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function or segment and 2) grants and contributions that are restricted to meeting the operational requirement of a particular function or segment. Regional appropriations and interest income are reported as general revenues.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statement reports use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Appropriations, grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund columns in the statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to create a current receivable. Regional appropriations revenue is considered measurable and available when invoiced to members in the year that the dues are owed to the District.

Expenditure-driven grants (state grants and District special project revenue) are recognized when the qualifying expenditures have been incurred and all other grant or contract requirements have been met.

Expenditures generally are recorded when a liability is incurred, in accordance with accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

All material governmental fund expenditures are classified as current. All governmental fund revenues of the District are considered susceptible to accrual.

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE A – SUMMARY OF ACCOUNTING POLICIES (Continued)

4. Assets and Liabilities

Deposits and investments - The District's cash and cash equivalents are considered to be cash on hand and short-term investments with original maturities of three months or less from the date of acquisition.

Receivable from State and local governments - The amount recorded as receivable from State and local government represents outstanding funding commitments from the State of Georgia and various local counties and cities. The District periodically evaluates the collectability of receivables on a case by case basis. Anytime an evaluation indicates there is doubt on the collectability of a receivable, the District will record an allowance for doubtful accounts. When the District determines an account will not be collected, it is written off the books. On December 31, 2023, the District believed all receivables were fully collectible. Accordingly, no allowance for doubtful accounts has been recorded as of year-end.

Capital assets - The District defines capital assets as assets with an initial individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost. The District did not have any capital assets as of December 31, 2023.

Unearned revenue – Unearned revenues arise when the District receives regional appropriations or grant funds in the current period, which relate to subsequent periods and have not been earned. In the subsequent period the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

5. Net Position

The difference between a government's assets and liabilities is recorded as net position in the Statement of Net Position column of the Governmental Fund Balance Sheet and Statement of Net Position.

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE A – SUMMARY OF ACCOUNTING POLICIES (Continued)

6. Fund Equity

GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions” enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The District implemented this standard in fiscal year 2011. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the District Governing Board (the “Board”) Members through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the District’s intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by District management based on the Board Members’ direction. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balances represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund, and are available for any purpose. The Board has adopted a policy to maintain a minimum fund balance of \$300,000.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing so. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

7. Budget

The Budget is organized on a ‘fund’ basis. A fund is an accounting entity used to account for revenue of like sources. The District had only one fund, the General Fund that was utilized during the year. The General Fund is the basic operating fund of the District. It is used to account for all financial resources not required to be accounted for in another category.

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE A – SUMMARY OF ACCOUNTING POLICIES (Continued)

8. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – COMPLIANCE AND ACCOUNTABILITY

Budgets for the District's General Fund are adopted on a basis consistent with GAAP. Prior to July 1 each year the officers of the Board submit to the District for adoption a preliminary budget required for the operation of the District during the ensuing calendar year, which is also the fiscal year. The budget at the legal level of control is organized into a General Fund. The budget must be balanced. The Board votes to adopt the budget for the ensuing fiscal year, subject to amendment or modification, during its September or October meeting. During the fiscal year, the Finance Committee may from time to time recommend, and the Executive Committee may make revisions to the adopted budget and program of work as provided below, when such revisions are deemed necessary for the accomplishment of program of work objectives.

- Such budget and program of work revisions may involve:
 - Fund transfers among elements of the adopted program of work.
 - Modifications of or additions to the work to be performed under the adopted program of work.

- Budget and program of work revisions may be undertaken by the Chairman, with the agreement of the Finance Committee, without prior approval by the District, subject to the following limitations:
 - The cumulative absolute value of fund transfers shall not exceed five percent of the total adopted disbursements budget.
 - Fund transfers shall not cause or result from a significant change in the scope or objective of the work to be performed under any of the elements of the adopted program of work.
 - Program of work modifications or additions shall not cause or result from a significant change in scope or objectives of work to be performed under any of the elements of the adopted program of work.
 - Revisions shall not cause any increase in the total adopted budget.

There were no significant general fund expenditures which exceeded appropriations.

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE C – DETAILED NOTES ON THE GENERAL FUND

Credit Risk – The District is authorized to deposit funds in financial institutions as determined by the Board of Directors of the District, subject to any applicable law. As of December 31, 2023, the District did not have any investments other than deposits with financial institutions.

Custodial Credit Risk-Deposits – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District reduces its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law. As of December 31, 2023, the District had no bank balances that were exposed to custodial credit risk.

Receivables - Receivables as of December 31, 2023 for the District are as follows:

Funding Source	Receivable from local governments
City of Atlanta	\$ 3,310
City of Fairburn	10
Fulton County	80
Gwinnett County	270
Dekalb County	181,091
Rockdale County	23,393
2023 Toilet Rebates	570
	\$ 208,724

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE D – OTHER INFORMATION

Risk Retention

The District is exposed to various risks of loss related to torts, errors and omissions. The District is a State agency that participates in an entity risk pool operated by the State of Georgia Department of Administrative Services. This is a common risk pool currently operating as a common risk management and insurance program for State agencies. The District is required to report to the Georgia Department of Law as promptly as possible all incidents which could result in the risk pool being required to pay any claim of loss. The District is also required to use the attorneys of the Department of Law to represent the District in investigation, settlement discussions and all levels of litigation arising out of any claim or errors and omissions made against the District within the scope of loss protection furnished by the Department of Administrative Services.

There have been no claims and no settlements for the current year or the three prior years.

The District believes the risk of loss related to torts is remote and thus believes it is more economical to retain such risk. Because management believes the probability of loss related to a tort is remote, no amounts are reserved or set aside for any future losses.

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE D – OTHER INFORMATION (Continued)

District Appropriations

The bulk of revenues reported in the General Fund are received from the City of Atlanta and the 15-county area of the District. Pursuant to state law, the District adopted a funding formula to be paid by member governments of \$0.25 per capita (2020 census) for calendar year 2023. Based upon this funding formula, the District recorded \$1,398,593 in revenue for the year.

The following is the appropriation funding level for all members of the District:

<u>Members</u>	2010 <u>Population</u>	2023 <u>Dues Revenue</u>	2024 Unearned <u>Dues Revenue</u>
Atlanta	420,003	\$ 124,679	\$ 124,679
Bartow	100,157	27,225	27,225
Cherokee	214,346	66,655	66,655
Clayton	259,424	74,399	74,399
Cobb	688,078	191,537	191,537
Coweta	127,317	36,540	36,540
DeKalb	663,601	181,091	181,091
Douglas	132,403	36,059	36,059
Fayette	106,567	29,799	29,799
Forsyth	175,511	62,821	62,821
Fulton	528,870	152,004	152,004
Gwinnett	805,321	239,266	239,266
Hall	179,684	50,784	50,784
Henry	203,922	60,178	60,178
Paulding	142,324	42,165	42,165
Rockdale	85,215	23,393	23,393
	<u>4,832,743</u>	<u>\$ 1,398,593</u>	<u>\$ 1,398,593</u>

In addition to the \$1,398,593 of unearned dues revenue detailed above, the District had \$125,000 of unearned grant revenues at December 31, 2023.

**METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

NOTE E – CONTINGENCIES

Administrative Agreement

Pursuant to an administrative and staff services agreement, the Atlanta Regional Commission (ARC) has agreed to provide administrative financial and technical staff support to the District. The District does not have any employees. Labor and related expenses are for employees of the Atlanta Regional Commission who contracts with the District to perform planning and administrative activities. Substantially all District costs are paid by the ARC and reimbursed by the District. On December 31, 2023, the District owed ARC \$533,693 for unreimbursed costs.

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Members of the
Metropolitan North Georgia Water Planning District
Atlanta, Georgia

**METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT
NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

Internal Control Report (Continued)