Comprehensive Annual Financial Report
Morgan County, Georgia



For the Year Ended June 30, 2013

Prepared by Finance Department

COMPREHENSIVE ANNUAL FINANCIAL REPORT

MORGAN COUNTY, GEORGIA

For The Fiscal Year
July 1, 2012 - June 30, 2013

Prepared by Morgan County Finance Department
Lori L. Sayer, CPA
Finance Director

MORGAN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2013

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Introductory Section

Letter of Transmittal
Certificate of Achievement for Excellence in Financial Reporting
Officials of Morgan County, Georgia
Organizational Chart



Morgan County Board of Commissioners
PO Box 168
150 E. Washington Street
Madison, GA 30650

December 30, 2013

To the Board of Commissioners and Citizens of Morgan County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to the requirements, we hereby issue the comprehensive annual financial report of Morgan County, Georgia for the fiscal year ended June 30, 2013.

We believe that the data as presented is accurate in all material aspects. We encourage readers to consider the presented information in conjunction with the information provided in management's discussion and analysis, the financial statements, and the notes to the financial statements.

This report demonstrates how the County receives, spends, and accounts for financial resources and illustrates the key indicators of its financial strength. Responsibility for the accuracy of the data and the completeness and fairness of the presentation rests with the County.

Profile of the Government
Morgan County is located 58 miles southeast of the city limits of the City of Atlanta and encompasses 349.7 square miles. The most recent population estimates (2012) from the U.S. Census Bureau have the County's population at 17,881. The County was formed from sections of Baldwin County in 1807. Georgia's 32nd county is named for Revolutionary War General Daniel Morgan who defeated the British at Cowpens. It is the home of Hard Labor Creek State Park, Georgia's largest state park. The City of Madison has been the county seat since its incorporation in 1809. Madison has a large designated historic district, which encompasses most of the town. Morgan County is also home to the City of Rutledge, founded in 1845, the City of Bostwick, and the City of Buckhead, founded in 1891. Additional demographic information is provided in the Statistical Section of this report.

The County operates under a Commission-Manager Form of Government. Under this system of local government, the Commissioners are policy makers who establish a vision for the County, and who hire the Manager to carry out policy. The Board of Commissioners consists of five (district-elected) members, who serve on a part-time basis and are elected to staggered terms of four years. The Manager is responsible for directing day-to-day operations and coordinating the work of department heads and other employees.

Morgan County provides a full range of services, including law enforcement; corrections; the construction and maintenance of buildings, parks, streets and highways; parks and recreation activities; 911 emergency communications, voter registration and elections, county systems, tax assessment and collection, building inspections, planning and zoning, solid waste collection and recycling, and general administrative and support activities.

Economic condition and outlook

The County has not been immune to the multi-year economic downturn but continues to maintain a strong financial position. Although many economic factors are largely outside of local government control, the Board of Commissioners, County Manager and departments have displayed impressive financial stewardship over the years. This philosophy entails reviewing the needs of the County relative to a standard that services and associated costs should not be appropriated unless they are justified as strategic goals of the organization that serve to accomplish our guiding principles.

At the State level, revenue shortfalls are requiring significant budget reductions and negatively impact local government funding as the state reduces programs to live within its means. Challenges facing local government are expected to mount as the demands for services grow while revenue sources struggle to achieve last year's levels and costs continue to climb. Property values – Total taxable assessed property values decreased by 13 percent for the 2012 property tax year. Communities across Georgia and throughout the nation are experiencing declines in new home construction, increases in the number of filings for foreclosures and increased in commercial vacancy rates.

The recession has changed the way governments operate at the local level. Short-term solutions of leaving vacant positions unfilled, deferring capital projects, and implementing targeted cuts in expenditures will not resolve the issue entirely. These steps implemented during the recession now represent a new way of doing business that will continue beyond this fiscal crisis.

Long-term financial planning

Unrestricted fund balance in the general fund at year end was $3,324,061 or 27.2% percent of total general fund expenses; and this amount is right in-line with generally recommended fund balance percentages.

The County has weathered a multi-year reduction in revenues due to a sluggish local economy and more specifically declining property values. This downward trend seems to have finally leveled out; and, in fact, revenue projections from for FY14 are actually expected to creep upwards due to a small rebound in property values (of 3% to 4%).

Internal controls

County management is responsible for establishing and maintaining an internal accounting control system. This system is designed to ensure that County assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of an accounting control should not exceed the benefits likely to be derived, and 2) the evaluation of costs and benefits requires estimates and judgment by management.

Budget controls

The annual budget serves as the foundation for the County's financial plan and assists in control of the financial stability and health of the government. As required by the statues of the State of Georgia, the County adopts annually a balanced budget. The legal level of control (i.e. the spending level at which expenditures may not legal exceed appropriations) is at the department level within a given fund. Reallocation of appropriations between line-items is acceptable within a given

department. Additional details regarding budgetary controls may be found in Note 3 of the notes to the financial statements.

Cash management

For FY2013, the County's general funds were located in non-interest bearing accounts. In the current economic environment, placing County funds in non-interest bearing accounts with no processing fees is a more financially beneficial decision than placing funds in the available interest bearing accounts with extremely low interest rates.

Independent audit

The financial statements included in this report are prepared in compliance with governmental financial reporting standards issued by the Governmental Accounting Standards Board; guidelines issued by the Government Finance Officers Association of the United States and Canada, and generally accepted accounting principles applicable to governmental entities. State of Georgia statutes require an annual audit by an independent Certified Public Accountant. The accounting firm of Bates Carter & Co., LLP report on the County's basic financial statements is included in the financial section of this CAFR.

Acknowledgements

The preparation and production of this document would not be possible without the cooperation of all County departments. Their willingness to work together has enabled the County to exceed expectations in financial reporting by producing a quality report that is readable, informative, and beneficial to citizens. We also extend our appreciation and gratitude to our independent auditors, Bates Carter & Co., LLP, for the professional guidance and assistance in producing a technically sound document. Finally, we thank the Board of Commissioners for their support and direction in conducting the financial affairs of the County in a responsible manner.

Respectfully submitted,

Michael Lamar, County Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Morgan County

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



Board of Commissioners

Commissioner District 1 Donald B. Harris, Vice Chair
Commissioner District 2 Andy Ainslie,
Commissioner District 3 Philip Clack
Commissioner District 4 Ellen Warren, Chair
Commissioner District 5 Ron Milton

County Manager	County Clerk	County Attorney
Michael Lamar	Jane Laseter	Christian Henry

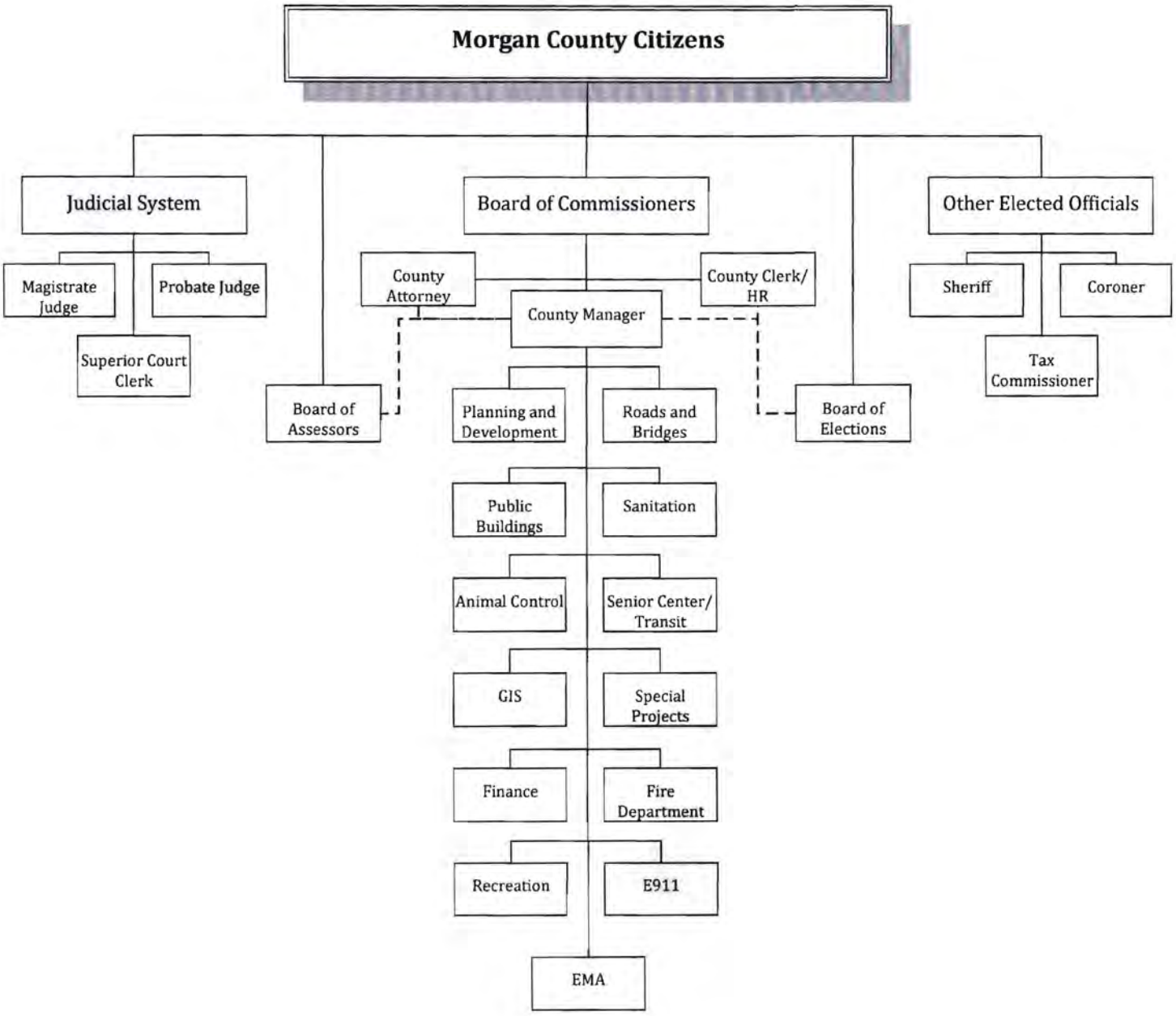
Elected Officials

Chief Magistrate Judge	Connie Holt
Clerk of Superior Court	Jody M. Moss
Coroner	Adam Carter
Probate Court Judge	Charles Merritt
Sheriff	Robert S. Markley
Tax Commissioner	Becky Astin

Superior Court Judges

William A. Prior, Jr., Chief Judge
Trent Brown
Hulane E. George
Hugh V. Wingfield, III
James L. Cline, Jr.

Morgan County Organizational Chart



Financial Section



BatesCarter
Exceeding expectations. Always.

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INDEPENDENT AUDITORS' REPORT
December 30, 2013

Board of Commissioners
MORGAN COUNTY, GEORGIA
Madison, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of MORGAN COUNTY, GEORGIA, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the government's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Morgan County Health Department and Morgan County Hospital Authority, component units of the County, as of and for the year then ended June 30, 2013, which statements reflect total assets of $461,571 and $5,574,000, as of June 30, 2013, and total revenues of $593,054 and $12,928,000, respectively, for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Morgan County Health Department and Morgan County Hospital Authority, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of MORGAN COUNTY, GEORGIA, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1(C) and 1(D)4 to the financial statements, the County adopted GASB Statement 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement 65, "Items Previously Reported as Assets and Liabilities". Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Pension Funding Progress, Budgetary Comparison Schedule - General Fund listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise MORGAN COUNTY, GEORGIA's basic financial statements. The accompanying supplementary information such as the combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, and the accompanying

Schedule of Projects Constructed with Special Sales Tax Proceeds which is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-12, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information identified above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2013 on our consideration of the MORGAN COUNTY, GEORGIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MORGAN COUNTY, GEORGIA's internal control over financial reporting and compliance.

Baker Carter : Co, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Morgan County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2013. Please read i-iii in conjunction with the County's financial statements, which begin on page 1.

As a result of the enactment of GASB 34, the County is required to present a discussion and analysis of its financial condition and performance for the year ended June 30, 2013.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2013 by $63,137,658 (Net Position). Of this amount, $5,024,034 is considered unrestricted and can be used to meet the County's ongoing obligations.

- The County's total net position increased by $1,149,713 (Change in Net Position). This is discussed in further detail in the Government-Wide Financial Analysis.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Morgan County's basic financial statements. Morgan County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements, presented on pages 1 and 2, provide a broad overview of Morgan County's finances in a manner similar to that of private-sector businesses. The statements include the following:

- The Statement of Net Position presents the County's assets and liabilities, with the difference between the two reported as net position. Over time, the change in net position is an indicator of the improvement (an increase) or deterioration (a decrease) in the County's financial condition.

- The Statement of Activities presents the revenues and expenses of the County. The difference between these is the change in net position for the year.

Both of the government-wide financial statements identify the various functions of Morgan County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Morgan County, Georgia include general government, public safety, court systems, health and welfare, recreation and culture, public works, and housing and development. The business-type activity of Morgan County, Georgia is the Solid Waste operation.

The government-wide financial statements include not only Morgan County, Georgia itself (known as the primary government), but also a legally separate Health Department and Hospital Authority for which Morgan County, Georgia is financially accountable. Financial information for these component units is reported separately from financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 statements, governmental fund financial statements focus 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 for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund (which was closed during the year), and SPLOST, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 49 and 50 of this report.

The County adopts an annual appropriated budget for its General Fund and Special Revenue Funds. Project length budgets are adopted for the Capital Projects Funds. A Budgetary Comparison Schedule has been provided for the General Fund and Special Revenue Funds to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found on pages 3 and 5 of this report.

Proprietary funds. The County maintains one proprietary fund. Enterprise (proprietary) funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the Solid Waste operation.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 7-9 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 10 and 11 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-45 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's pension plans on pages 47 and a schedule of budgetary comparisons for the general fund on pages 48 and 49. Combining and individual fund statements and schedules can be found on pages 49-56 of this report, and Schedules of Projects Constructed with Special Purpose Local Option Sales Tax can be found on page 59-61.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

During FY 2013, Morgan County, on an entity-wide basis, net position increased $1,149,713 which is the result of adding the $913,237 increase in governmental activities and the increase in net position for business type activities of $236,476. The change in governmental activities is discussed below, and the change in business type activities is discussed under the heading Proprietary Funds.

The County had total Net Position of $63,137,658, of which $57,249,179, net of debt and accumulated depreciation, was invested in capital assets. The table below shows the split of net position between governmental and business-type activities.

Morgan County, Georgia's Net Position
June 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Capital assets (net of depreciation)	$ 70,392,639	$ 69,848,304	$ 605,828	$ 388,750	$ 70,998,467	$ 70,237,054
Current and other assets	8,632,599	9,747,587	17,318	29,727	8,649,917	9,777,314
Total Assets	79,025,238	79,595,891	623,146	418,477	79,648,384	80,014,368
Total deferred outflows of resources	-	-	-	-	-	-
Long-term liabilities	14,846,291	16,335,246	357,111	382,505	15,203,402	16,717,751
Other liabilities	1,277,765	1,016,327	29,559	35,972	1,307,324	1,052,299
Total liabilities	16,124,056	17,351,573	386,670	418,477	16,510,726	17,770,050
Total deferred inflows of resources	-	-	-	-	-	-
Net Position:						
Invested in capital assets, net of related debt	56,643,351	54,427,414	605,828	388,750	57,249,179	54,816,164
Restricted	864,445	1,008,376	-	-	864,445	1,008,376
Unrestricted	5,393,386	6,808,528	(369,352)	(388,750)	5,024,034	6,419,778
Total net position	$ 62,901,182	$ 62,244,318	$ 236,476	$ -	$ 63,137,658	$ 62,244,318

Total government-wide revenue for Fiscal Year 2013 was $21,413,209. Of this amount, $21,156,779 was in governmental activities and $256,430 in business-type activities. The chart below shows the distribution of total primary government revenues.

Morgan County, Georgia's Changes in Net Position
Year Ended June 30

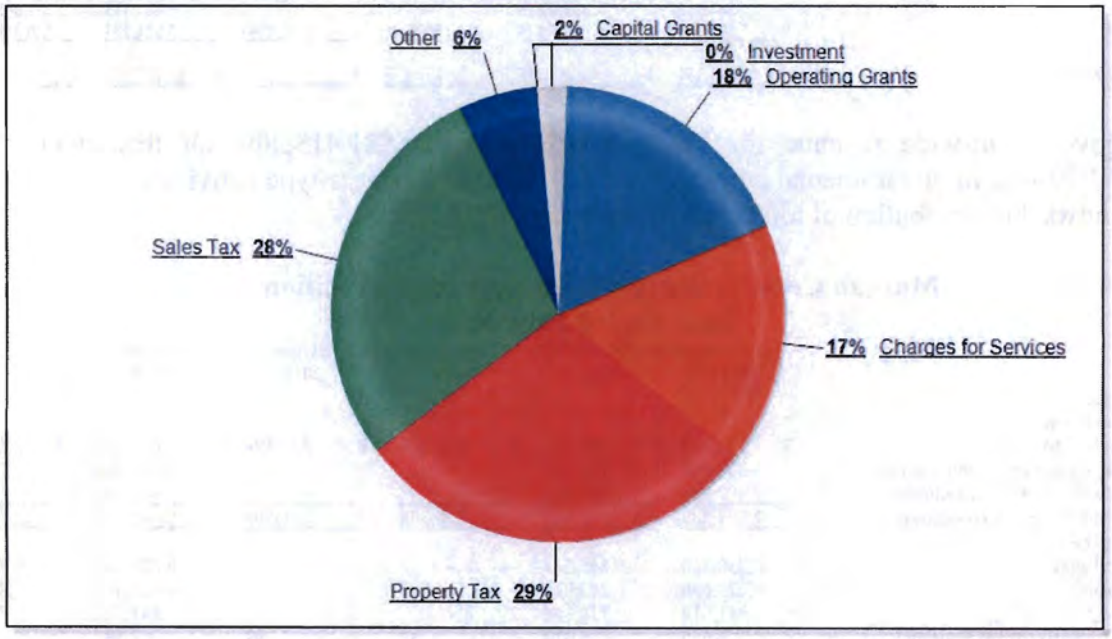
	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
REVENUES						
Program revenues						
Charges for Services	$ 3,374,485	$ 2,384,127	$ 256,398	$ 291,399	$ 3,630,883	$ 2,675,526
Operating Grants and Contributions	3,838,006	774,145	-	-	3,838,006	774,145
Capital Grants and Contributions	472,996	83,273	-	-	472,996	83,273
Subtotal for Program Revenues	7,685,487	3,241,545	256,398	291,399	7,941,885	3,532,944
General revenues						
Property Taxes	6,230,340	6,845,343	-	-	6,230,340	6,845,343
Sales Taxes	6,023,650	6,243,915	-	-	6,023,650	6,243,915
Other Taxes	841,018	778,346	-	-	841,018	778,346
Unrestricted Investment Earnings	2,550	6,412	32	97	2,582	6,509
Grants and Contributions not restricted to a specific program	356,525	258,768	-	-	356,525	258,768
Gain on sale of capital assets	17,209	36,978	-	-	17,209	36,978
Subtotal for General Revenues	13,471,292	14,169,762	32	97	13,471,324	14,169,859
Total Revenues	21,156,779	17,411,307	256,430	291,496	21,413,209	17,702,803
EXPENSES						
Program expenses						
General Government	3,239,715	3,550,225	-	-	3,239,715	3,550,225
Judicial	1,163,564	1,181,395	-	-	1,163,564	1,181,395
Public Safety	6,409,666	6,388,700	-	-	6,409,666	6,388,700
Public Works	4,848,108	4,981,927	-	-	4,848,108	4,981,927
Health & Welfare	1,526,002	1,374,205	-	-	1,526,002	1,374,205
Recreation & Culture	1,073,367	1,635,981	-	-	1,073,367	1,635,981
Housing and Development	501,473	569,188	-	-	501,473	569,188
Interest and Paying Agent Fees	633,055	728,723	-	-	633,055	728,723
Solid Waste	-	-	868,546	924,782	868,546	924,782
Total expenses	19,394,950	20,410,344	868,546	924,782	20,263,496	21,335,126
Change in Net Position before Transfers	1,761,829	(2,999,037)	(612,116)	(633,286)	1,149,713	(3,632,323)
Transfers	(848,592)	(500,228)	848,592	500,228	-	-
Change in Net Position	913,237	(3,499,265)	236,476	(133,058)	1,149,713	(3,632,323)

Net Position, beginning of year	62,244,318	65,743,583	-	133,058	62,244,318	65,876,641
Change in Accounting Principle	(256,373)	-	-	-	(256,373)	-
Net Position, beginning as restated	61,987,945	65,743,583	-	133,058	61,987,945	65,876,641
Net Position, end of year	$ 62,901,182	$ 62,244,318	$ 236,476	$ -	$ 63,137,658	$ 62,244,318

General Revenues such as Property Taxes and Local Option Sales Tax supplement the Governmental Activities. General Government required $2,539,676, Judicial required $409,688, Public Safety required $5,763,928, Public Works required $1,004,709, Health and Welfare required $1,296,941, Recreation required $770,065, Housing and Development $(708,599) of General Revenues.

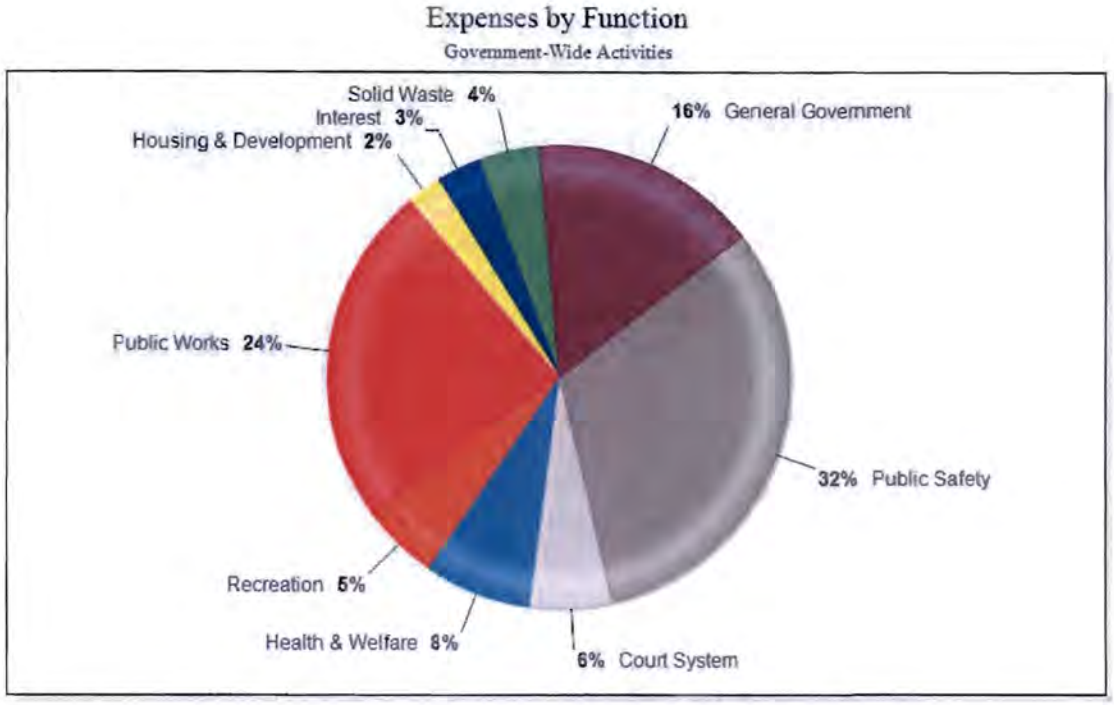
Revenues by Source

Government-Wide Activities



*Due to rounding, charts may not always equal 100%

Government-wide expenses were $20,263,496 for 2013, of which $19,394,950 were for governmental activities and $868,546 for business-type activities. The chart below shows further detail of total primary government expenses.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

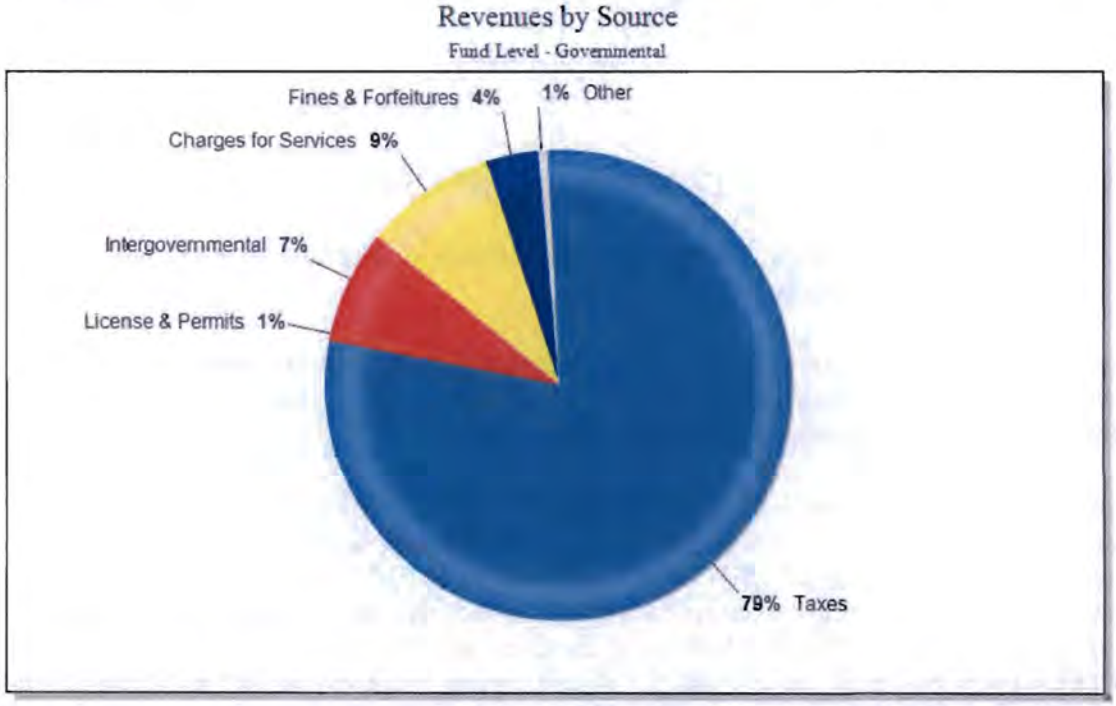
Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows and outflows of spendable resources. Such information is useful in evaluating a government's near-term financing requirements.

The primary governmental funds are the General Fund and SPLOST. As the county completed the year, its governmental funds (as presented in the balance sheet on page 3) reported a combined fund balance of $4,656,973, which is $(2,100,835) less than last year's total. The decrease in the SPLOST fund balance was $(61,996), which was the expenditure of tax proceeds collected in the prior year. The fund balance in the General Fund decreased $(1,956,904). Local Option Sales taxes collected were about $(156,590) below projected budget and Property tax collections exceeded budgeted amount by $31,023.

In 2013, Governmental revenues were down $(760,731) from fiscal year 2012. Property taxes were down $(675,762) due to slight decrease in the digest. Intergovernmental revenue was up $93,687 due to fewer grants for Public Safety. Investment income was down $4,113 due to lower interest rates and cash balances.

The total amount of sales tax revenue for fiscal year 2013 was $6,023,650 which is a (3.5)% decrease from FY 2012 due to the slight economic recovery. Morgan County currently shares two different taxes on all sales within the county. The Local Option Sales Tax (LOST) is a direct offset to the property taxes and is renewed every ten years by agreement with the City of

Madison, the City of Bostwick, the City of Buckhead and the City of Rutledge. The latest agreement renewed in FY 2003 distributes the funds 73% to the County, 22% to the City of Madison, 4% to the City of Rutledge, .60% to the City of Bostwick, and .40% to the City of Buckhead. A SPLOST referendum passed in a November 2011 election was effective April 1, 2013 with an expiration date of March 31, 2019 or at the end of the quarter where the raising of $26,000,000 is reached, whichever occurs first. Distribution of monthly SPLOST VI funds are based on a percentage distribution as agreed upon by the following municipalities: City of Madison receives 11.99%, City of Rutledge receives 1.92%, City of Bostwick receives .96% and the City of Buckhead .48%. The County's SPLOST VI projects include a debt service payments on Public Safety Complex, road and bridge improvements, new Fire Station and equipment, 911 system upgrades, improvements to Solid Waste and Recycling equipment and infrastructure, and upgrades to other county facilities and server replacement. The City of Madison has designated projects for road and bridge improvements, acquisition of Town Park, and City Hall renovations. The City of Rutledge has designated funds for water and sewer improvements. The City of Bostwick will improve City Park, interconnection of sidewalks and sidewalk additions. The City of Buckhead will improve the fire station, sidewalks, Town Park and purchase lawn care equipment.



Expenditures in the governmental funds were $18,006,297, down $(1,161,837) from FY 2012. Expenditures for the General Fund of $13,355,037 were down $495,760. The General fund transferred $605,399 and $243,193 to Solid Waste and E911 funds, respectively, to subsidize operations this year. The County expenditures in SPLOST funds of $3,720,199 were down$(741,101) from the prior year due to the timing of expenditures. Of the SPLOST expenditures, $444,062 of this was for capital outlay on planned projects and $1,877,221 was for debt service payments on the jail bonds. The remaining $1,398,916 is spread over multiple departments, primarily for the purpose of infrastructure repaving which is expensed.

In FY 2013, Morgan County's Fund balance of all governmental funds was 28% of revenues. At year end, the Fund Balance in the General Fund was 31% of general fund revenues.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Beginning in FY 2003, Morgan County has reported the Solid Waste fund as a proprietary fund. This change has allowed users of the financial statements to analyze the County's Solid Waste Department as a business-like activity and focus attention on the cost of providing services.

In FY 2013, Morgan County's Solid Waste Facility reported income of $236,476. Operating revenues decreased by $(35,001) from FY 2012. Of the total decrease in operating revenue, waste collection fees decreased $35,412. The Solid Waste Fund on its own doesn't generate sufficient revenues to fund operations; it relies on a subsidy from the General Fund. The General Fund increased the transfer in from $500,228 in 2012 to $848,592 in 2013.

Expenses decreased $56,236 from fiscal year 2012, which was due to a decrease in landfill closure/postclosure cost of $39,143 and $17,572 in waste disposal fees.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Morgan County's Government-wide investment in capital assets at June 30, 2013 was $57,249,179, net of accumulated depreciation and related debt. This investment, which includes land, buildings, roads, bridges, machinery and equipment, park facilities, and vehicles, is discussed in Note 6.

Government-wide additions, including donated assets in FY 2013 were $4.21 million. Major capital asset activities in FY 2013 were:

In Governmental Activities:

- Right of way was purchased to begin bridge replacement in the amount of $29,006.
- Work related to bridge replacement $63,243.
- Tractor with sidearm mower and other accessories $107,605.
- Digital voice recorder for E911 $17,162.
- Donated subdivision roads, right of way, bridges, and culverts $3,273,848.

Long-term debt. At June 30, 2013, Morgan County governmental activities had outstanding debt of $14,846,291. Of this amount $112,668 is from various capital leases, $14,371,204 is from contracts payable, $90,988 is from the net pension obligation, and $271,431 is from compensated absences payable. See note 7 for more details. Payments of $105,801 were made on capital leases. Payments of $1,218,965 were made on contracts payable.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget, the final budget and actual results for the General Fund are shown on pages 47 and 48.

The reasons for major changes to the original budget are as follows:

Each year, Morgan County adopts the General Fund budget in June based on a preliminary digest. The millage rate is set in September when the digest is finalized by the Georgia Department of Revenue. The final, amended budget was up $210,516 which was due to a transfer from General Fund to E911 in order to cover additional unbudgeted expenses and clear deficit fund balance.

ECONOMIC FACTORS AND THE 2014 BUDGET

The County continues to face challenges during these economic times with declining property tax revenues and controlling costs to meet the expectations for and use of services provided to citizens. Expenditures were down approximately $235 thousand which still allowed the County to end fiscal year 2013 with a moderate fund balance.

The economic outlook for 2014 is stable considering the County has maintained a careful and conservative approach in the past which has resulted in a healthy fund balance. This will help supplement FY 2014 budget $1,369,665. The fiscal year 2014 annual budget for the general fund is $14,099,021; this is a decrease of 92,586 from the adopted 2013 budget.

Most of the County's revenue sources for fiscal year 2014 will remain relatively unchanged with the exception of slight increase in sales tax and fines and fees. Property tax values decreased just over 2% from prior year however there was an increase in millage rate of .25 mills. The 2014 budget was adopted assuming a millage rate of 9.24. Although this is a slight rate increase from last year, most taxpayers will likely not see a significant increase in the County portion of their property tax bills due to the declining trend in assessed property values.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Morgan County's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Morgan County Commissioners Office, PO Box 168, Madison, Georgia 30650.

MORGAN COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2013

ASSETS	PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT: TOTAL	COMPONENT UNITS
Cash	$ 4,751,843	$ -	$ 4,751,843	$ 699,408
Investments	-	-	-	73,000
Receivables (net of allowance for uncollectibles)	943,566	42,625	986,191	2,111,861
Internal balances	30,494	(30,494)	-	-
Inventories	54,186	-	54,186	262,000
Prepaid items	415,696	5,187	420,883	354,000
Investment in joint venture	2,436,625	-	2,436,625	-
Restricted assets:				
Cash	189	-	189	349,000
Non-current assets:				
Receivables	-	-	-	31,000
Deferred charges	-	-	-	25,000
Capital assets:				
Capital assets not being depreciated	10,033,895	284,864	10,318,759	105,000
Capital assets being depreciated	101,669,537	1,251,298	102,920,835	9,023,285
Less: accumulated depreciation	(41,310,793)	(930,334)	(42,241,127)	(6,997,983)
Capital assets, net of depreciation	70,392,639	605,828	70,998,467	2,130,302
TOTAL ASSETS	79,025,238	623,146	79,648,384	6,035,571
TOTAL ASSETS & DEFERRED OUTFLOWS	79,025,238	623,146	79,648,384	6,035,571
LIABILITIES				
Accounts payable	1,037,583	23,562	1,061,145	607,331
Other accrued items	240,182	5,997	246,179	905,000
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	190,002	11,670	201,672	8,850
Accrued landfill closure / postclosure	-	24,060	24,060	-
Capital leases payable	40,414	-	40,414	432,000
Revenue bonds payable	-	-	-	85,000
Contracts payable	1,356,914	-	1,356,914	-
Due in more than one year				
Compensated absences payable	81,429	5,001	86,430	22,122
Net pension obligation	90,988	-	90,988	-
Accrued landfill closure / postclosure	-	316,380	316,380	-
Capital leases payable	72,254	-	72,254	448,000
Revenue bonds payable	-	-	-	390,000
Contracts payable	13,014,290	-	13,014,290	-
TOTAL LIABILITIES	16,124,056	386,670	16,510,726	2,898,303
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	16,124,056	386,670	16,510,726	2,898,303
NET POSITION				
Net investment in capital assets	56,643,351	605,828	57,249,179	800,302
Restricted for:				
Debt service	-	-	-	193,000
Capital outlay projects	679,302	-	679,302	-
Judicial programs	10,157	-	10,157	-
Public safety programs	152,614	-	152,614	-
Health and welfare programs	22,372	-	22,372	143,000
Unrestricted	5,393,386	(369,352)	5,024,034	2,000,966
TOTAL NET POSITION	$ 62,901,182	$ 236,476	$ 63,137,658	$ 3,137,268

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT: TOTAL	COMPONENT UNITS
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	$ 3,239,715	$ 697,902	$ 2,137	$ -	$ (2,539,676)	$ -	$ (2,539,676)	$ -
Judicial	1,163,564	753,130	746	-	(409,688)	-	(409,688)	-
Public safety	6,409,666	442,129	151,770	51,839	(5,763,928)	-	(5,763,928)	-
Public works	4,848,108	300	3,421,942	421,157	(1,004,709)	-	(1,004,709)	-
Public health and welfare	1,526,002	18,520	210,541	-	(1,296,941)	-	(1,296,941)	-
Recreation and culture	1,073,367	267,432	35,870	-	(770,065)	-	(770,065)	-
Housing and development	501,473	1,195,072	15,000	-	708,599	-	708,599	-
Interest	633,055	-	-	-	(633,055)	-	(633,055)	-
Total Governmental Activities	19,394,950	3,374,485	3,838,006	472,996	(11,709,463)	-	(11,709,463)	-
BUSINESS-TYPE ACTIVITIES								
Solid waste/recycling	868,546	256,398	-	-	-	(612,148)	(612,148)	-
Total Business-Type Activities	868,546	256,398	-	-	-	(612,148)	(612,148)	-
TOTAL PRIMARY GOVERNMENT	$ 20,263,496	$ 3,630,883	$ 3,838,006	$ 472,996	(11,709,463)	(612,148)	(12,321,611)	-
COMPONENT UNITS								
Health Department	$ 552,485	$ 168,895	$ 423,560	$ -	-	-	-	39,970
Hospital Authority	13,782,000	11,880,000	968,000	74,000	-	-	-	(860,000)
TOTAL COMPONENT UNITS	$ 14,334,485	$ 12,048,895	$ 1,391,560	$ 74,000	-	-	-	(820,030)
GENERAL REVENUES								
Property taxes					6,230,340	-	6,230,340	-
Sales taxes					6,023,650	-	6,023,650	-
Insurance premium taxes					561,768	-	561,768	-
Real estate recording taxes					135,389	-	135,389	-
Other taxes					143,861	-	143,861	-
Total taxes					13,095,008	-	13,095,008	-
Unrestricted investment earnings					2,550	32	2,582	6,599
Grants and contributions not restricted to a specific program					356,525	-	356,525	-
Gain on sale of capital assets					17,209	-	17,209	-
TRANSFERS					(848,592)	848,592	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					12,622,700	848,624	13,471,324	6,599
CHANGES IN NET POSITION					913,237	236,476	1,149,713	(813,431)
NET POSITION, Beginning					62,244,318	-	62,244,318	3,950,699
CHANGE IN ACCOUNTING PRINCIPLE					(256,373)	-	(256,373)	-
NET POSITION, Beginning as restated					61,987,945	-	61,987,945	3,950,699
NET POSITION, Ending					$ 62,901,182	$ 236,476	$ 63,137,658	$ 3,137,268

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash	$ 3,362,402	$ 1,205,008	$ 184,432	$ 4,751,842
Receivables (net of allowance for uncollectibles)	525,826	348,538	69,203	943,567
Interfund receivables	193,882	-	34,209	228,091
Prepaid items	414,281	-	1,414	415,695
Inventories	54,186	-	-	54,186
Restricted assets:				
Cash	-	189	-	189
TOTAL ASSETS	$ 4,550,577	$ 1,553,735	$ 289,258	$ 6,393,570
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 266,494	$ 755,774	$ 15,315	$ 1,037,583
Other accrued items	230,320	-	9,862	240,182
Interfund payables	-	118,659	78,938	197,597
TOTAL LIABILITIES	496,814	874,433	104,115	1,475,362
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	261,235	-	-	261,235
TOTAL DEFERRED INFLOWS OF RESOURCES	261,235	-	-	261,235
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	758,049	874,433	104,115	1,736,597
FUND BALANCES				
Nonspendable:				
Prepaid expenditure	414,281	-	1,414	415,695
Inventories	54,186	-	-	54,186
Restricted:				
Capital outlay projects	-	679,302	-	679,302
Judicial programs	-	-	10,157	10,157
Public safety programs	-	-	151,200	151,200
Health and welfare programs	-	-	22,372	22,372
Unassigned:	3,324,061	-	-	3,324,061
TOTAL FUND BALANCES	3,792,528	679,302	185,143	4,656,973
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 4,550,577	$ 1,553,735	$ 289,258	$ 6,393,570

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2013

Total Fund Balances for Governmental Funds (page 3)		$ 4,656,973
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.		70,392,639
Some assets are not available in the current period and therefore are not reported in the funds.		
Investment in joint venture	2,436,625	2,436,625
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		
Property Taxes	261,235	261,235
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Net pension obligation	(90,988)	
Compensated absences	(271,431)	
Capital leases	(112,668)	
Contracts payable	(14,371,204)	
		(14,846,291)
Rounding		1
Total net position of governmental activities (page 1)		$ 62,901,182

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	$ 9,661,703	$ 3,480,240	$ 42,908	$ 13,184,851
Licenses and permits	154,719	-	-	154,719
Intergovernmental	559,084	419,855	181,213	1,160,152
Fines and forfeitures	505,680	-	105,310	610,990
Charges for services	1,239,204	-	294,731	1,533,935
Contributions and donations	73,965	-	10,166	84,131
Investment income	2,166	1,301	385	3,852
Miscellaneous	4,215	-	-	4,215
TOTAL REVENUES	12,200,736	3,901,396	634,713	16,736,845
EXPENDITURES				
Current Expenditures				
General government	2,901,460	-	-	2,901,460
Judicial	1,138,962	-	23,310	1,162,272
Public safety	4,661,526	-	818,704	5,480,230
Public works	1,405,049	1,059,601	-	2,464,650
Public health and welfare	1,452,778	-	-	1,452,778
Recreation and culture	1,021,991	-	-	1,021,991
Housing and development	476,473	-	25,192	501,665
Intergovernmental	-	339,315	-	339,315
Capital outlay	49,180	444,062	52,688	545,930
Debt service				
Principal	234,540	1,168,937	9,410	1,412,887
Interest	13,078	708,284	1,757	723,119
TOTAL EXPENDITURES	13,355,037	3,720,199	931,061	18,006,297
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(1,154,301)	181,197	(296,348)	(1,269,452)
OTHER FINANCING SOURCES (USES)				
Sale of county property	560	-	16,649	17,209
Transfers in	97,716	-	295,480	393,196
Transfers out	(900,879)	(243,193)	(97,716)	(1,241,788)
TOTAL OTHER FINANCING SOURCES (USES)	(802,603)	(243,193)	214,413	(831,383)
NET CHANGE IN FUND BALANCES	(1,956,904)	(61,996)	(81,935)	(2,100,835)
FUND BALANCES, Beginning of year	5,749,432	741,298	267,078	6,757,808
FUND BALANCES, End of year	$ 3,792,528	$ 679,302	$ 185,143	$ 4,656,973

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

Net change in fund balances (page 5)		$ (2,100,835)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	545,930	
Depreciation expense	(3,416,134)	
		(2,870,204)
In the statement of activities, only the gain/loss on the sale of various capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.		
Net book value of capital assets sold	(7,402)	
		(7,402)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	261,235	
Donated assets	3,421,942	
Investment in joint venture	2,436,625	
		6,119,802
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(351,078)	
Investment in joint venture	(1,366,000)	
		(1,717,078)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities. This adjustment combines the net change of two balances.		
Principal payments on long-term debt	1,412,887	
Amortization of bond premium, discounts and issuance cost	90,064	
		1,502,951
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences, current year	(271,432)	
Compensated absences, prior year	257,372	
		(14,060)
Net pension obligation is not available during the current period and therefore is not reported in the funds.		
End of year	(90,988)	
Beginning of year	91,052	
		64
Rounding		(1)
Changes in net position of governmental activities (page 2)		$ 913,237

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS
	SOLID WASTE DISPOSAL FACILITY
ASSETS	
Current Assets	
Receivables (net of allowance for uncollectibles)	$ 42,625
Interfund receivables	35,335
Prepaid items	5,187
TOTAL CURRENT ASSETS	83,147
Noncurrent Assets	
Capital assets	
Capital assets not being depreciated	284,864
Capital assets being depreciated	1,251,298
Less: accumulated depreciation	(930,334)
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	605,828
TOTAL NONCURRENT ASSETS	605,828
TOTAL ASSETS	688,975
LIABILITIES	
Current Liabilities	
Accounts payable	23,562
Other accrued items	5,997
Interfund payables	65,829
Compensated absences payable	11,670
Accrued landfill closure/postclosure	24,060
TOTAL CURRENT LIABILITIES	131,118
Noncurrent Liabilities	
Compensated absences payable	5,001
Accrued landfill closure/postclosure	316,380
TOTAL NONCURRENT LIABILITIES	321,381
TOTAL LIABILITIES	452,499
NET POSITION	
Net investment in capital assets	605,828
Unrestricted	(369,352)
TOTAL NET POSITION	$ 236,476

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2013

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS
	SOLID WASTE DISPOSAL FACILITY
OPERATING REVENUES	
Charges for services-other	$ 256,398
Total Operating Revenues	256,398
OPERATING EXPENSES	
Salaries and benefits	309,516
Other services and charges	96,187
Landfill closure/postclosure costs	(4,415)
Depreciation	26,115
Waste disposal fees	425,081
Repairs and maintenance	16,062
Total Operating Expenses	868,546
OPERATING INCOME (LOSS)	(612,148)
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	32
Total Nonoperating Revenues (Expenses)	32
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(612,116)
Transfer in	848,592
CHANGE IN NET POSITION	236,476
TOTAL NET POSITION, Beginning of year	-
TOTAL NET POSITION, End of year	$ 236,476

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2013

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS SOLID WASTE DISPOSAL FACILITY
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customer	$ 258,418
Payments to suppliers	(619,606)
Payments to employees	(309,750)
Net cash provided by (used in) operating activities	(670,938)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	848,592
Net Cash provided (used) by non-capital financing activities	848,592
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(243,193)
Net cash provided (used) by capital and related financing activities	(243,193)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment earnings	32
Net cash provided (used) by investing activities	32
Net increase (decrease) in cash and cash equivalents	(65,507)
CASH, Beginning of year	65,507
CASH, End of year	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ (612,148)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	26,115
(Increase) decrease in:	
Accounts receivable	2,020
Prepaid expenses	(5,187)
Increase (decrease) in:	
Accounts payable	(7,799)
Compensated absences	(1,619)
Accrued landfill costs	(23,775)
Other accrued items	1,385
Interfund payables	(49,930)
Net cash provided by (used in) operating activities	$ (670,938)

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2013

	BRASWELL FUND PRIVATE PURPOSE TRUST FUND	AGENCY FUNDS
ASSETS		
Cash	$ 12,478	$ 478,434
Investments:		
Common stocks	52,301	-
Mutual funds, equities	195,275	-
Mutual funds, debt securities	41,448	-
TOTAL ASSETS	301,502	478,434
LIABILITIES		
Accrued liabilities	399	-
Funds held in trust	-	478,434
TOTAL LIABILITIES	399	478,434
NET POSITIONS		
Restricted for orphan care	301,103	-
TOTAL NET POSITION	$ 301,103	$ -

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2013

	BRASWELL FUND PRIVATE PURPOSE TRUST FUND
ADDITIONS	
Investment earnings	
Interest earned	$ 6
Dividend income	11,621
Net change in fair value of investments	33,515
Total investment earnings	45,142
Interest and investment expense	(2,551)
Net investment earnings	42,591
TOTAL ADDITIONS	42,591
DEDUCTIONS	
Tuition	14,604
Administrative expenses	7,886
TOTAL DEDUCTIONS	22,490
CHANGE IN NET POSITION	20,101
NET POSITION, Beginning of year	281,002
NET POSITION, End of year	$ 301,103

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
June 30, 2013

	HEALTH DEPARTMENT	HOSPITAL AUTHORITY	TOTAL
ASSETS			
Cash	$ 428,408	$ 271,000	$ 699,408
Investments	-	73,000	73,000
Receivables (net of allowance for uncollectibles)	16,861	2,095,000	2,111,861
Inventories	-	262,000	262,000
Prepaid items	-	354,000	354,000
Restricted assets:			
Cash	-	349,000	349,000
Non-current assets:			
Receivables	-	31,000	31,000
Deferred charges	-	25,000	25,000
Capital assets:			
Capital assets not being depreciated	-	105,000	105,000
Capital assets being depreciated	63,285	8,960,000	9,023,285
Less: accumulated depreciation	(46,983)	(6,951,000)	(6,997,983)
Capital assets, net of depreciation	16,302	2,114,000	2,130,302
TOTAL ASSETS	461,571	5,574,000	6,035,571
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	461,571	5,574,000	6,035,571
LIABILITIES			
Accounts payable	11,331	596,000	607,331
Other accrued items	-	905,000	905,000
Noncurrent liabilities:			
Due within one year			
Compensated absences payable	8,850	-	8,850
Capital leases payable	-	432,000	432,000
Revenue bonds payable	-	85,000	85,000
Due in more than one year			
Compensated absences payable	22,122	-	22,122
Capital leases payable	-	448,000	448,000
Revenue bonds payable	-	390,000	390,000
TOTAL LIABILITIES	42,303	2,856,000	2,898,303
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	42,303	2,856,000	2,898,303
NET POSITION			
Net investment in capital assets	16,302	784,000	800,302
Restricted for:			
Debt service		193,000	193,000
Public health and welfare	-	143,000	143,000
Unrestricted	402,966	1,598,000	2,000,966
TOTAL NET POSITION	$ 419,268	$ 2,718,000	$ 3,137,268

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

	.....PROGRAM REVENUES.....				....NET (EXPENSE) AND CHANGES IN NET POSITION....		
FUNCTIONS/PROGRAMS	**EXPENSES**	**CHARGES FOR SERVICES**	**OPERATING GRANTS AND CONTRIBUTIONS**	**CAPITAL GRANTS AND CONTRIBUTIONS**	**HEALTH DEPARTMENT**	**HOSPITAL AUTHORITY**	**TOTAL**
COMPONENT UNITS							
GOVERNMENTAL ACTIVITIES							
Health Department	$ 552,485	$ 168,895	$ 423,560	$ -	$ 39,970	$ -	$ 39,970
Hospital Authority	13,782,000	11,880,000	968,000	74,000	-	(860,000)	(860,000)
TOTAL COMPONENT UNITS	$ 14,334,485	$ 12,048,895	$ 1,391,560	$ 74,000	39,970	(860,000)	(820,030)
GENERAL REVENUES							
Unrestricted investment earnings					599	6,000	6,599
TOTAL GENERAL REVENUES AND TRANSFERS					599	6,000	6,599
CHANGES IN NET POSITION					40,569	(854,000)	(813,431)
NET POSITION, Beginning					378,699	3,572,000	3,950,699
NET POSITION, Ending					$ 419,268	$ 2,718,000	$ 3,137,268

The accompanying notes are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of MORGAN COUNTY, GEORGIA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

(A) REPORTING ENTITY

The government is a political subdivision of the State of Georgia governed by an elected five-member commission. In addition, there are four Constitutional Officers; the Tax Commissioner, Probate Court Judge, Sheriff, and Clerk of Superior Court. The Constitutional Officers are elected county wide. The Board of County Commissioners budgets and approves all funding used by the separate Constitutional Officers. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable and for which a financial benefit or burden relationship is present. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each discretely presented component unit has a June 30 year-end.

Brief descriptions of discretely presented component units follow:

MORGAN COUNTY HOSPITAL AUTHORITY: The hospital authority owns and operates a twenty bed acute care facility and a twenty-one bed hospital-based skilled nursing unit. The County appoints all the members of the seven-member board that governs the hospital authority. The hospital authority is fiscally dependent on the County since the County provides a subsidy which allows the Authority to remain solvent and the County guarantees the Authority's debt. During 2013, the County transferred $700,000 to the hospital authority. The hospital authority is presented as a proprietary fund type. The $118,000 change in the beginning net position balance is due to the implementation of GASB 61.

MORGAN COUNTY HEALTH DEPARTMENT: The health department is charged with determining the health needs and resources of its jurisdiction, developing programs, activities, and facilities responsive to those needs, and enforcing all laws related to health matters unless they fall under the jurisdiction of other agencies. The health department is governed by the Morgan County Board of Health (Board). The Board includes seven members representing government, health professions, and the needy. The County appoints the voting majority of the board. Additionally, the health department is fiscally dependent on the County since it must have its budget approved by the County. During 2013, the County transferred $176,939 to the health department. The health department is presented as a governmental fund type.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices.

Morgan County Health Department
259 North Second Street
Madison, Georgia 30650-1317

Morgan County Hospital Authority
1077 South Main Street
Madison, Georgia 30650-2073

(B) GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. 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 given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

(C) MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statement (fiduciary funds use the economic resources measurement focus to indicate that agency funds have no measurement focus.) Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial 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 pay liabilities of the current period. For this purpose, the government considers property taxes as available if they are collected by the end of the current fiscal year. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current fiscal period for which they are imposed. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, franchise taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Cumulative effect of a change in accounting principle

Fines receivable are not recorded since the amounts are considered to be not measurable. The balance of $100,001 reported at the beginning of the year was written off as the cumulative effect of a change in accounting principle.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *SPLOST Capital Projects Fund* accounts for funds received from a local 1% sales tax reserved for construction of various capital projects.

The government reports the following major proprietary funds:

The *Solid Waste Enterprise Fund* accounts for the activities of the County's solid waste disposal and recycling programs.

Additionally, the government reports the following *fiduciary funds*, which account for assets held by the government in a trustee capacity or as an agent on behalf of others:

Private-purpose trust funds account for assets held by the government under the terms of a formal trust agreement and are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The Braswell Fund, a testamentary trust fund, is the private-purpose trust fund. The fund is restricted to the use of educating orphaned children who reside in the County.

Agency funds are custodial in nature and do not represent results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Tax Commissioner, Clerk of Court, Probate Court, Magistrate Court, and Sheriff holds for others in an agency capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the Solid Waste enterprise fund are charges to customers for sales and services. Operating expenses for the Solid Waste enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

(D) ASSETS, LIABILITIES AND NET POSITION OR EQUITY

1. Deposits and Investments

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

Investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in fair value during the year are recognized as part of investment income.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

All trade and property tax receivables are shown net of an allowance of uncollectibles.

Property taxes attach as an enforceable lien on property as of January 1. The 2012 taxes were levied October 20, 2012, and were due 60 days after issuance. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien after March 20, 2013.

The County's property taxes were levied on the assessed values of all real and personal property including mobile homes and motor vehicles located in the County.

3. Inventories and Prepaid Items

Inventories, consisting of expendable supplies, not held for resale are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

4. *Bond Premiums and Discounts*

Cumulative effect of a change in accounting principle
Bond and loan issuance costs are expensed as incurred. These previously had been deferred and amortized. During 2013, the County implemented GASB Statement 65 *"Items Previously Reported As Assets and Liabilities"*. $156,372 was written off as the cumulative effect of a change in accounting principle.

Premiums and discount are deferred and amortized over the lives of the bonds and loans on a straight-line basis, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Amortization costs for premiums, discounts, and amounts deferred for refunding (see Note 7) for the years 2013 was $90,064. None of these costs were capitalized in 2013.

5. *Restricted Assets*

Certain proceeds of the County's capital leases or debt issues are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable lease or debt agreements.

6. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, culverts, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of three years. Roads, bridges and culverts are defined by the County as projects with an individual cost of $5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Roads, bridges and culverts acquired prior to July 1, 1980 have been reported.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	Assets	Years
Buildings	40	Vehicles	5
Building Improvements	10-25	Infrastructure	10-50
Machinery and equipment	5-10	Land improvements	10-20

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item that qualifies for reporting in this category. The item only arises under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes.

8. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is reported for unpaid accumulated sick leave because the benefits are paid only upon illness of an employee, and the amount of such payments cannot be reasonably estimated. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Upon retirement, unused vacation and sick leave will be included in years of service for benefit calculation purposes. At the end of each calendar year unused vacation time above 240 hours and unused sick time above 480 hours is rolled over to credit the years of service for retirement purposes.

9. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net position.

10. Fund Equity/Net Position

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund balance - Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Nonspendable* - Fund balances are reported as nonspendable when the amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash like inventories and prepaid items) or (b) legally or contractually required to be maintained intact.
- *Restricted* - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Committed* - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution prior to the end of the fiscal year. In order to modify or rescind the commitment, the Board of Commissioners must adopt another resolution.
- *Assigned* - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's finance director to assign fund balances.
- *Unassigned* - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all other governmental funds.

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt used for the acquisition, construction, or improvement of those assets. In determining the outstanding balance of any borrowing, proceeds of that debt which has not been spent is deducted. Accounts payable for costs related to acquisition, construction, or improvement of those capital assets is considered debt for this calculation. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then committed, assigned, and unassigned (or unrestricted) resources as they are needed.

11. Net Investment in Capital Assets

The "Net investment in capital assets" reported on the government-wide statement of net position as of June 30, 2013 are as follows:

Net invesment in capital assets	Governmental Activities	Business-type Activities
Cost of capital assets	$ 111,703,432	$ 1,536,162
Less accumulated depreciation	(41,310,793)	(930,334)
Book value	70,392,639	605,828
Less capital related debt	(13,749,288)	-
Net investment in capital assets	$ 56,643,351	$ 605,828

12. Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and 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 2 - FUND BALANCE/NET POSITION

The government-wide statement of net position reports $864,445 of restricted net position, of which none is restricted by enabling legislation.

Additional details related to fund balances at the governmental fund level are presented below:

Restricted:

SPLOST Fund	
Capital outlay projects - For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved referendum.	$ 679,302
Nonmajor Restricted Progams Funds	
Judicial Programs -	
Law Library - Used to account for surcharges on fines and forfeitures which are for the operation of the County Law Library and other expenditures as restricted by the OCGA-36-15.	10,157
Public Safety Programs -	
Restricted Progams Fund - To account for funds received from surcharges on fines and forfeitures restricted for operation of the county jail, and drug abuse, treatment and education programs.	75,828

Sheriff's Law Enforcement - to account for funds from seizures to be used for law enforcement activities.	75,372
Subtotal - Restricted for Public Safety Programs	151,200
Health and Welfare Programs -	
Restriced Progams Fund - To account for funds received from surcharges on fines and forfeitures restricted for youth enrichment activities.	22,372
Total Restricted Fund Balance	$ 863,031

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(A) BUDGETARY INFORMATION

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles.

Annual appropriated budgets are adopted for the general fund and all special revenue funds. Project-length budgets are adopted for capital projects funds. All annual appropriations lapse at fiscal year end.

All agencies of the government submit requests for appropriation to the County's manager so that a budget may be prepared. The budget is prepared by fund, function, activity and line item, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The government's Board of Commissioners holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the County's manager or the revenue estimates must be changed by an affirmative vote of a majority of the government's Board of Commissioners.

The County manager may amend the line item budget within a department's appropriation. However, expenditures may not legally exceed budgeted appropriations at the department level. The legal level of budgetary control is at the department level within individual funds.

During the year, the Board of Commissioners authorized amendments to include appropriations for some activities that were not originally budgeted and to reclassify certain character and functional expenditures.

NOTE 4 - DEPOSITS AND INVESTMENTS

The County's investments are held in a private purpose trust fund known as the Braswell Fiduciary Fund and held as cash equivalents in the SPLOST fund. Investments are carried at fair value. Unrealized gain is recognized as income.

Primary Government

Custodial credit risk - deposits. Custodial credit risk for deposits is the risk that, in the event of a bank failure, the government's deposits may not be returned. The County's policies permit it to exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions if the funds are otherwise adequately secured. As of June 30, 2013, all deposits of the County were insured or collateralized.

State statutes require collateral pledged in the amount of 110% of deposits. Depositories may secure deposits of public funds using the dedicated method or the pooled method as described below.

- Under the dedicated method, a depository shall secure the deposits of each of its public depositors separately.

- Under the pooled method, a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1.

The County utilized both methods to secure its deposits of public funds.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest rate risk. Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. Morgan County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State statutes authorize the government to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state or of other states and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation of the United States government. Morgan County does not have an investment policy that would further limit these investment choices.

Concentration of credit risk. Morgan County places no limit on the amount it may invest in any one issuer.

Fiduciary Fund

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest rate risk. The Braswell Fiduciary Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The Braswell fund is authorized to invest in securities in accordance with the will that established the fund. The Braswell Fiduciary Fund has no investment policy that would further limit its investment choices. At June 30, 2013, the ratings of its investments are shown below.

Concentration of credit risk. The Braswell Fiduciary Fund places no limit on the amount it may invest in any one issuer. As of June 30, 2013, the Braswell Fiduciary Fund held 6% of the total investments in common stocks of both the Atlanta Gas Company and the Southern Company.

As of June 30, 2013, the Braswell Fiduciary Fund had the following investments:

Investment Type	Fair Value	Rating	Rating Agency	Weighted Average Maturity (Years)
Common Stocks	$ 52,301	n/a	n/a	n/a
Mutual Funds	195,275	n/a	n/a	n/a
Subtotal Equity Securities	247,576			
Mutual Fund Debt Securities	41,448	BB	Morningstar	9.66
Total Investments	$ 289,024			

The goal of the Braswell Fiduciary Fund in investing is to obtain a reasonable return on investments with a minimum exposure to potential loss of capital due to market fluctuations.

NOTE 5 - RECEIVABLES

Receivables as of year-end for the County's individual major funds, nonmajor governmental funds in the aggregate, and enterprise fund including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	SPLOST	Nonmajor Governmental Funds	Enterprise Fund Solid Waste
Receivables:				
Property Taxes	$ 261,235	$ -	$ -	$ -
Fines	-	-	-	-
Accounts	10,247	-	49,848	42,625
Intergovernmental	254,344	348,538	19,355	-
Total Gross Receivables	525,826	348,538	69,203	42,625
Less: Allowance for Uncollectibles	-	-	-	-
Total Net Receivables	$ 525,826	$ 348,538	$ 69,203	$ 42,625

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	UNAVAILABLE	UNEARNED	TOTAL
Delinquent property taxes receivable (General Fund)	$ 261,235	$ -	$ 261,235
Total unearned revenue for governmental funds	$ 261,235	$ -	$ 261,235

Property taxes receivable at June 30, 2013, consist of the following:

DIGEST YEAR	GENERAL FUND
2013[1]	$ 5,798
2012	153,896
2011	58,348
2010	13,189
2009	9,181
2008	4,369
2007	3,676
2006	2,501
2005	3,101
2004	815
2003	1,014
2002	2,138
2001	1,191
2000 & prior	2,018
Total	$ 261,235

(1) 2013 only consists of taxes due on mobile homes. Taxes on real and personal property are not levied until after fiscal year end. Therefore, they are not included.

Receivables as of year-end for the County's component units, including the applicable allowances for uncollectible accounts, are as follows:

	Health Department	Hospital Authority
Receivables:		
Accounts	$ 15,909	$ 3,184,000
Intergovernmental	952	467,000
Total Gross Receivables	16,861	3,651,000
Less: Allowance for Uncollectibles	-	(1,556,000)
Total Net Receivables	$ 16,861	$ 2,095,000

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 9,764,714	$ 109,603	$ -	$ -	$ 9,874,317
Construction in progress	17,361	3,120,955	-	(2,978,738)	159,578
Total non-depreciable capital assets	9,782,075	3,230,558	-	(2,978,738)	10,033,895
Depreciable Assets:					
Land improvements	515,820	17,595	-	-	533,415
Buildings and improvements	34,190,067	-	-	-	34,190,067
Machinery and equipment	3,888,681	216,498	(283,598)	-	3,821,581
Vehicles	5,271,909	171,519	(142,733)	-	5,300,695
Infrastructure	54,782,667	331,701	(269,327)	2,978,738	57,823,779
Total depreciable capital assets	98,649,144	737,313	(695,658)	2,978,738	101,669,537
Less Accumulated Depreciation for:					
Land improvements	300,606	23,773	-	-	324,379
Buildings and improvements	5,913,660	852,205	-	-	6,765,865
Machinery and equipment	2,851,592	289,962	(283,598)	-	2,857,956
Vehicles	4,125,190	293,155	(135,331)	-	4,283,014
Infrastructure	25,391,867	1,957,039	(269,327)	-	27,079,579
Total accumulated depreciation	38,582,915	3,416,134	(688,256)	-	41,310,793
Total depreciable capital assets, net	60,066,229	(2,678,821)	(7,402)	2,978,738	60,358,744
Governmental activities capital assets, net	$ 69,848,304	$ 551,737	$ (7,402)	$ -	$ 70,392,639

Additions to governmental activities capital assets for fiscal year ending June 30, 2013 consist of the following:

Capital Outlay	$ 545,930
Donated Assets	3,421,942
Total	$ 3,967,872
Non-depreciable capital assets additions	$ 3,230,558
Depreciable capital assets additions	737,313
Rounding	1
Total	$ 3,967,872

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Business-type Activities:					
Non-Depreciable Assets:					
Land and improvements	$ 284,864	$ -	$ -	$ -	$ 284,864
Depreciable Assets:					
Land improvements	67,973	35,335	-	-	103,308
Buildings and improvements	119,724	-	-	-	119,724
Machinery and equipment	519,502	207,858	-	-	727,360
Vehicles	342,234	-	(41,328)	-	300,906
Total depreciable capital assets	1,049,433	243,193	(41,328)	-	1,251,298
Less Accumulated Depreciation for:					
Land improvements	38,946	4,613	-	-	43,559
Buildings	82,309	2,993	-	-	85,302
Equipment	482,058	18,509	-	-	500,567
Vehicles	342,234	-	(41,328)	-	300,906
Total accumulated depreciation	945,547	26,115	(41,328)	-	930,334
Total depreciable capital assets, net	103,886	217,078	-	-	320,964
Business-type activities capital assets, net	$ 388,750	$ 217,078	$ -	$ -	$ 605,828

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	$ 336,304
Public Safety	923,136
Public Works	2,034,603
Public Health and Welfare	71,377
Recreation and Culture	49,820
Housing and Development	895
Rounding	(1)
Total depreciation expense-governmental activities	$ 3,416,134
Business-type Activities:	
Solid Waste	$ 26,115

The County has authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to June 30, 2013 and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

	Project Authorization	Expended To Date	Contracts in Progress	Authorized Not Obligated	Sources
Governmental Activities:					
Fire station	$ 1,072,439	$ 51,786	$ -	$ 1,020,653	SPLOST
Infrastructure		9,639		(9,639)	SPLOST
Telephone & computer servers	243,287	57,500		185,787	SPLOST
Tower infrastructure - E911	317,405	40,653		276,752	SPLOST V
Total	$ 1,633,131	$ 159,578	$ -	$ 1,473,553	

Health Department Discretely Presented Component Unit

Activity for the Health Department for the year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Machinery and equipment	$ 59,010	$ -	$ 4,275	$ 63,285
Less Accumulated Depreciation	(42,458)	(4,525)	-	(46,983)
Capital Assets, net	$ 16,552	$ (4,525)	$ 4,275	$ 16,302

Hospital Authority Discretely Presented Component Unit

Activity for the Hospital Authority for the year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Non-Depreciable Assets:				
Land	$ 105,000	$ -	$ -	$ 105,000
Total Non-Depreciable Assets	105,000	-	-	105,000
Depreciable Assets:				
Land improvements	61,000	-	-	61,000
Buildings and improvements	3,555,000	20,000	-	3,575,000
Equipment	5,200,000	124,000	-	5,324,000
Total Depreciable assets	8,816,000	144,000	-	8,960,000
Less Accumulated Depreciation for:				
Land improvements	(61,000)	-	-	(61,000)
Buildings and improvements	(2,737,000)	(90,000)	-	(2,827,000)
Equipment	(3,443,000)	(620,000)	-	(4,063,000)
Total accumulated depreciation	(6,241,000)	(710,000)	-	(6,951,000)
Total depreciable capital assets, net	2,575,000	(566,000)	-	2,009,000
Capital Assets, net	$ 2,680,000	$ (566,000)	$ -	$ 2,114,000

NOTE 7 - LONG TERM DEBT

Long-term liability activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Notes Payable	$ 88,121	$ -	$ (88,121)	$ -	$ -	$ -
Capital leases	218,469	-	(105,801)	112,668	40,414	72,254
Contracts payable	15,155,792	-	(1,218,965)	13,936,827	1,274,152	12,662,675
Plus: Original issue Premiums	524,441	-	(90,064)	434,377	82,762	351,615
Subtotal Contracts Payable	15,680,233	-	(1,309,029)	14,371,204	1,356,914	13,014,290
Net pension obligation	91,052	721,841	(721,905)	90,988	-	90,988
Compensated absences	257,372	194,220	(180,161)	271,431	190,002	81,429
Governmental activities long-term liabilities	$ 16,335,247	$ 916,061	$ (2,405,017)	$ 14,846,291	$ 1,587,330	$ 13,258,961
Business-type Activities:						
Compensated absences	$ 18,290	$ 10,051	$ (11,670)	$ 16,671	$ 11,670	$ 5,001
Landfill closure/postclosure	364,215	(9,616)	(14,159)	340,440	24,060	316,380
Business-type activities long-term liabilities	$ 382,505	$ 435	$ (25,829)	$ 357,111	$ 35,730	$ 321,381

Capital Leases

The County leases certain land and facilities under non-cancelable capital leases. The leases relate to the DFACS/Health Department building and E911 equipment. Ownership of the related assets will be transferred to the County at the end of the lease terms. The assets acquired through capital leases are as follows:

	Governmental Activities
Buildings and improvements	$ 885,714
Machinery and equipment	199,110
Less: Accumulated Depreciation	(354,286)
Total	$ 730,538

The County entered into a capital lease agreement in 1997 with Wachovia Bank to finance the construction of a DFACS building. The lease term is one year with fourteen one-year renewable lease terms. The County paid off the remaining DFACS lease balance in November 2012.

The County entered into a capital lease agreement in 2011 with AT&T to finance the acquisition of Vesta equipment for the E911 center. The lease term is 60 months.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013, were as follows:

Year Ending June 30,	Governmental Activities
2014	$ 45,376
2015	45,376
2016	30,250
Total minimum lease payments	121,002
Less: amount representing interest (6.45%)	(8,334)
Present value of minimum lease payments	$ 112,668

Contracts payable

During 2000, the County entered into an intergovernmental contract with the Development Authority of Walton County to acquire land for an industrial park and issue the "Development Authority of Walton County (Georgia) Industrial Park Revenue Bond Anticipation Note, Series 1998" in order to finance the acquisition of land for the Industrial Park Project. The total amount of this issue is $7,500,000. Morgan County's share of the debt was 15%, or $1,125,000. During 2001, this revenue bond anticipation note was replaced by a revenue bond issued by the Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County (JDA) in the amount of $9,000,000. Morgan County's share of the debt is 15%. The outstanding balance of this debt at June 30, 2013 is $4,700,000 with Morgan County's share being $705,000.

The bonds are variable rate demand bonds. A common feature of such bonds is that bondholders have the right to tender their bonds back for purchase each week for any reason. Should the Remarketing Agent be unable to find new buyers for any tendered bonds, a bank is obligated to purchase the bonds under a Liquidity Facility. Should that happen, the bonds become "Bank Bonds" with an interest rate equal to the greater of prime rate or Federal Funds rate plus 0.50% per annum. In addition, the fees for providing the Liquidity Facility would increase from 0.195% per annum to 0.440% per annum; also, the repayment of principal would be accelerated on a five year schedule commencing with the next principal payment.

Just after June 30, 2008, the rating for the bond issuer for the Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County, Series 2001 bonds was downgraded from a triple-A rating. As a result, the Remarketing Agent was unable to find new investors and the Bank purchased the bonds under the Liquidity Facility. This bank bond rate was 5.0% at June 30, 2008. On September 23, 2008 the interest rate was 6.0% with a total rate of 6.44% per annum.

In an effort to reduce the interest rate back to the terms in effect at June 30, 2008, the JDA obtained a letter of credit from a bank in the amount of $6,474,667 ($6,400,000 principal and $74,667 interest component). This was replaced by another letter of credit from a bank in the amount of $5,65,334 ($5,600,000 principal and $65,334 interest component). This letter of credit

has a stated expiration date of November 18, 2016. The variable interest rate as of June 30, 2013 is 0.20%. The annual requirements to amortize the JDA bond using terms in effect as of June 30, 2013, are as follows:

Year ending, June 30,	Principal	Interest	Total
2014	$ 75,000	$ 1,410	$ 76,410
2015	75,000	1,260	76,260
2016	75,000	1,110	76,110
2017	90,000	960	90,960
2018	90,000	780	90,780
2019-2021	300,000	1,230	301,230
Total	$ 705,000	$ 6,750	$ 711,750

During 2008, the County acquired a GEFA loan of $67,311 for the extension of water and wastewater to the Joint Industrial Development Authority Industrial Park property. Morgan County is required to pay 13.8% of the total loan. The total debt outstanding at June 30, 2013 is $46,827.

The annual requirements to amortize the GEFA loan using terms in effect as of June 30, 2013, are as follows:

Year ending June 30,	Principal	Interest	Total
2014	$ 4,152	$ 2,106	$ 6,258
2015	4,349	1,909	6,258
2016	4,554	1,704	6,258
2017	4,770	1,488	6,258
2018	4,996	1,262	6,258
2019-2023	24,006	2,589	26,595
2023-2027	-	-	-
Total	$ 46,827	$ 11,058	$ 57,885

In December 2012, the Morgan County Board of Commissioners entered into an Intergovernmental Agreement with the Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County (JDA) related to an inducement agreement that the JDA had entered into with Baxter Healthcare Corporation (Baxter) related to an estimated $1 billion biologics manufacturing, support, and distribution center in the Stanton Springs industrial park owned by the JDA. The JDA agreed to fund a total of $7.9 million of the cost of a waste water pretreatment facility. One Georgia Grant will fund $2 million of this cost. The remaining $5.9 million will be a loan from the Georgia Environmental Finance Authority (GEFA). This loan will not incur interest charges during the construction period. After the construction is finished (estimated in 2014), the loan will be at 1.8% annually. No payments are required until the sooner of January 1, 2020 or FDA approval of the Baxter facility. Morgan County is responsible for 15% of the debt service payments. Morgan County's share of the $5.9 million loan is $885,000.

During 2008, the County entered into an intergovernmental contract with the Morgan County Building Authority for $19,000,000 to acquire the land and make renovations to the Jail building and build an aquatic center. The County is to make annual payments. Interest rates vary from 4% to 5%. The outstanding balance of this debt at June 30, 2013 is $13,185,000.

The annual requirements to amortize Jail Bonds using terms in effect as of June 30, 2013, are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	$ 1,195,000	$ 646,013	$ 1,841,013
2015	1,255,000	586,262	1,841,262
2016	1,320,000	523,513	1,843,513
2017	1,385,000	457,512	1,842,512
2018	1,455,000	388,263	1,843,263
2019-2023	6,575,000	789,050	7,364,050
Total	$ 13,185,000	$ 3,390,613	$ 16,575,613

Compensated Absences

Typically, the general fund has been used to liquidate compensated absences except for items related to the solid waste enterprise fund.

Health Department Discretely Presented Component Unit

Long-term debt activity for the Health Department for the year ended June 30, 2013, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 33,725	$ 26,472	$ (29,225)	$ 30,972	$ 8,850	$ 22,122

Hospital Authority Discretely Presented Component Unit

Long-term debt activity for the Hospital Authority for the year ended June 30, 2013, was as follows:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Bonds	$ 555,000	$ -	$ (80,000)	$ 475,000	$ 85,000	$ 390,000
Capital leases	1,294,000	-	(414,000)	880,000	432,000	448,000
Total long-term liabilities	$ 1,849,000	$ -	$ (494,000)	$ 1,355,000	$ 517,000	$ 838,000

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Machinery and equipment	$ 1,858,000
Less: Accumulated depreciation	(1,187,000)
Total	$ 671,000

The terms and due dates of the Hospital Authority's long-term debt, including capital lease obligations, at June 30, 2013, are as follows:

- 1997 Series Revenue Certificates, at varying rates of interest from 3.85% to 5.35%, principal maturing in varying annual amounts, due July 2017, secured by County commitment to provide revenues, through tax levy, sufficient to meet obligations under the bond contract and to pay all reasonable operating expenses of the Authority. The original proceeds of $1,385,000 were used to build a 21 bed skilled nursing unit.

- Capital lease obligation, at varying rates of inputed interest from 3.48% to 5.37%, collateralized by leased equipment.

The annual requirements to amortize long-term debt as of June 30, 2013 are as follows:

Year Ending June 30,	Bonds and notes payable			Capital Leases		
	Principal	Interest	Total	Principal	Interest	Total
2014	$ 85,000	$ 23,000	$ 108,000	$ 432,000	$ 26,000	$ 458,000
2015	90,000	18,000	108,000	365,000	9,000	374,000
2016	95,000	13,000	108,000	83,000	-	83,000
2017	100,000	8,000	108,000	-	-	-
2018	105,000	3,000	108,000	-	-	-
Total	$ 475,000	$ 65,000	$ 540,000	$ 880,000	$ 35,000	$ 915,000

NOTE 8 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of June 30, 2013, is as follows:

Due To	Due From			
	SPLOST	Other Nonmajor Governmental Funds	Sold Waste Disposal Facility	Total Due from Other Funds
General Fund	$ 49,115	$ 78,938	$ 65,829	$ 193,882
Nonmajor Governmental Funds	34,209	-	-	34,209
Landfill	35,335	-	-	35,335
Total Due to Other Funds	$ 118,659	$ 78,938	$ 65,829	$ 263,426

These balances resulted from (1) the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, (2) the time lag between the dates that transactions are recorded in the accounting system, (3) the time lag between the dates that payments between funds are made, (4) short-term loans, and (5) to fund capital projects.

Interfund transfers as of the year ended June 30, 2013 are as follows:

Transfers Out	Transfers in			
	General Fund	Other Nonmajor Governmental Funds	Sold Waste Disposal Facility	Total Transfers Out
General Fund	$ -	$ 295,480	$ 605,399	$ 900,879
SPLOST	-	-	243,193	243,193
Other Nonmajor Governmental Funds	97,716	-	-	97,716
Total - Transfers in	$ 97,716	$ 295,480	$ 848,592	$ 1,241,788

Transfers are used to (1) supplement operating budgets, (2) pay for the Soccer Complex, (3) help fund construction projects and debt service, (4) reimburse unrestricted revenue, (5) reimburse pension costs, and (6) move the County's matching portion on federal and state grants.

NOTE 9 - RETIREMENT PLANS

Defined Benefit Pension Plan

A. Plan Description

The County contributes to the Association County Commissioners of Georgia Restated Pension Plan for Morgan County Employees (the Plan), which is a defined benefit pension plan. The Plan was effective January 1, 1998.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of an adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan Document. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Morgan County Board of Commissioners, P.O. Box 168, Madison, Georgia 30650.

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at 60 with 5 years of participation in the Plan. Participants may retire early at age 55 with 10 years of service and 3 years of plan participation. The County's covered payroll for employees participating in the Plan as of January 1, 2012 (the most recent actuarial valuation date) was $4,207,528 (based on covered earnings for the preceding year).

Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 2.0% of average annual compensation multiplied by the years of service. Compensation is the highest average of the participant's compensation over 5 consecutive years during the ten years prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

B. Funding Policy

The County is required to contribute at an actuarially determined rate. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia Statutes. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans.

County employees are not required to contribute to the Plan. Contributions totaling $721,905 ($721,905 employer and $0 employee) were made in accordance with the contribution requirements determined by an actuarial valuation performed as of January 1, 2012. This was equal to the minimum required contribution of $721,905.

C. Annual Pension Cost

The cost of administering the plan is funded with earnings from investments.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time to time, the contribution rates for the employer and its plan members.

The County's contributions to the Plan for the years ended June 30, 2013, 2012, and 2011 were $721,905, $692,503, and $333,895 respectively, and were equal to or greater than the required contribution for each year.

Schedule I included in the required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. The data for the most current year are as follows:

Actuarial Date of January 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b-a)/c]
2012	$ 5,787,871	$8,331,347	$ 2,543,476	69.5%	$ 3,953,057	64.3 %

The annual required contribution and percentage contributed for the current year and prior years are as follows:

Fiscal Year June 30,	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
2013	$ 721,841	$ 721,905	100.0 %	$ 90,988
2012	$ 692,007	$ 692,503	100.1 %	$ 91,052
2011	$ 620,706	$ 333,895	53.8 %	$ 91,548

The information was determined as part of the actuarial valuation as of January 1, 2012. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2012
Actuarial Cost method	Projected Unit Credit
Asset Valuation method	Market Value
Amortization method	Level Percent of Pay (Closed)
Remaining amortization period (This represents the estimated amortization period for all unfunded liabilities combined into one amortization base.)	10 years
Actuarial assumptions:	
Assumed rate of return on assets*	7.5% per annum
Expected future salary increases*	5.0%-7.5% per annum
Cost of Living Adjustments*	0.0% per annum
*Includes inflation at	3.0%

The County's annual pension cost and net pension obligation for the pension plan for the current year were determined as follows:

Annual required contribution	$ 722,334
Interest on net pension obligation	7,057
Amortization of net pension obligation	(7,550)
Annual pension cost	721,841
Contribution made	(721,905)
Increase (decrease) in Net Pension Obligation	(64)
Net pension obligation, January 1, 2012	91,052
Net pension obligation, January 1, 2013	$ 90,988

Other Plans

In addition to the above pension plans, the following pension plans cover County employees but the county is not legally responsible for contributions to the pension plans. Other governmental entities are legally responsible for these contributions as well as required disclosures:

(A) PROBATE JUDGES' RETIREMENT FUND OF GEORGIA: The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

(B) SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA: The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

(C) SHERIFF'S RETIREMENT FUND/PEACE OFFICER'S ANNUITY AND BENEFIT FUND: The Sheriff and Sheriff's Deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

(D) GEORGIA STATE EMPLOYEES' RETIREMENT SYSTEM: The Health Department's eligible employees participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system covering employees of local boards of health and various agencies and departments of the State of Georgia. ERS is funded through employer and employee contributions and the Health Department has no legal obligation for paying benefits.

NOTE 10 - CONTINGENT LIABILITIES AND COMMITMENTS

The county's encumbrances outstanding at the end of the fiscal year that will be honored in the next fiscal year are not significant for any of the major funds nor for the nonmajor funds in total.

Amounts received or receivable for grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The County is subject to possible legal actions in the nature of claims for damages to persons and property, civil rights isolation and other similar types of actions arising in the course of normal County operations. In the opinion of County management, after consultation with legal counsel, the ultimate outcome of these possible legal actions will not have a material impact on the financial position of the County.

The County has an agreement with The Morgan County Hospital Authority to reimburse the Authority for all expenditures necessary for the maintenance, operation, and providing of adequate and necessary facilities for medical care and hospitalization of the indigent sick. The County shall also reimburse reasonable reserves for expansion and make payment of the cost of all facilities of Morgan Memorial Hospital. The County agrees to adequately and fully pay all sums due to the Authority under the agreement out of general funds of the County and/or by levying all required taxes up to a maximum of seven (7) mils.

In March of 2001, the County accepted a Community Development Block Grant from the Department of Community Affairs in the amount of $500,000 for the construction of a new Senior Center. As a condition of the grant, the County must agree to use the facility for the approved purpose throughout the life of the facility. Should the facility be converted to an ineligible use, the Department of Community Affairs will require repayment of the grant. The repayment will be based on 20-year straight-line depreciation, except 100% repayment of the grant funds will be required to be repaid if the facility is converted during the first five years after the grant closeout date. The period for calculating the repayment amount began upon the closeout of the grant in 2003 and will continue until year 2023.

NOTE 11 - RISK MANAGEMENT

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The following are ways the County handles these risks:

WORKERS' COMPENSATION

The County participates in the Association County Commissioners of Georgia (ACCG) Group Self Insurance Workers' Compensation Fund (GSIWCF), a self-insured pool cooperative arrangement among its members to finance workers' compensation coverage. The fund is owned by its members and is managed by a seven member Board of Trustees who are representatives from participating counties. The ACCG-GSIWCF operates under the authority of O.C.G.A. 34-9-150 et seq. and the Georgia Insurance Commissioner's Office. The members of ACCG-Group Self Insurance Workers' Compensation Fund are assessable if the losses that ACCG must pay exceed the assets of the pool. At June 30, 2013, there was no need for such an assessment. Therefore, no liability has been recorded in these financial statements.

OTHER

The County participates in the Association County Commissioners of Georgia Interlocal Risk Management Agency (IRMA), a risk sharing arrangement among Georgia County Governments. The fund exists by authority of O.C.G.A. 36-85-1 et seq. Premium liabilities are based on the estimated ultimate cost of settling the claims, including effects of inflation and other society and economic factors. The IRMA Limits of Liability shall not be charged with the first $2,500 of any loss. IRMA pays losses up to $100,000 per individual claim or $5,000,000 for all claims. However, excess losses, if any, are covered by reinsurance and would be paid by the reinsurer.

The members of IRMA are assessable if the losses that IRMA must pay exceed the assets of the pool. At June 30, 2013, there was no need for such an assessment. Therefore, no liability has been recorded in these financial statements.

As part of these risk pools (IRMA & GSIWCF), the County is obligated to pay all contributions and assessments to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents that could require the funds to pay any type of loss. The County is also to allow all the pools' agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claim made against the County.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The County also purchases combined automobile, crime, liability and property insurance coverage from the ACCG-IRMA. A $2,500 deductible applies to each claim. The County also purchases catastrophic coverage for inmate medical costs with a $20,000 deductible per inmate. The following is a summary of coverage at June 30, 2013:

Property Losses	$	5,000,000	aggregate
Comprehensive General and Law Enforcement Liability	$	5,000,000	per occurrence
Automobile Liability	$	1,000,000	per occurrence
Errors and Omissions Liability	$	5,000,000	per occurrence
	$	10,000,000	aggregate
Crime Coverage	$	150,000	per occurrence
	$	50,000	per employee
Boiler and Machinery	$	100,000,000	per occurrence
Inmate medical	$	250,000	Specific limit per inmate
Inmate medical	$	750,000	Aggregate limit

The County has no outstanding claims in excess of coverage for which a liability should be recorded as of June 30, 2013.

Settled claims in the past three years have not exceeded the coverage.

NOTE 12 - NORTHEAST GEORGIA REGIONAL COMMISSION

Morgan County, in conjunction with cities and counties in the area are members of the Northeast Georgia Regional Commission (NEGRC). Membership in the NEGRC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the regional commissions. Each county and municipality in the state is required by law to pay minimum annual dues to the NGRC. The county paid annual dues in the amount of $17,868 to the NEGRC for the year ended June 30, 2013. The NEGRC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the nonpublic Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines regional commissions as "public agencies and instrumentalities of their members." Georgia laws also provide that the member governments are liable for any debts or obligations of an regional commission beyond its resources. (O.C.G.A. 50-8-39.1)

Separate financial statements for the NEGRC may be obtained from: Northeast Georgia Regional Commission, 305 Research Drive, Athens, Georgia 30605.

NOTE 13 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations required the County to place a final cover on its U.S. Highway 441 landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as a current operating expenditure in each period based on landfill capacity used as of each balance sheet date.

These amounts are based on what it would cost to perform all closure and postclosure care in 2013. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is also required to demonstrate financial assurance that the closure and postclosure care cost can be paid in the future. The County is in compliance at June 30, 2013, based on requirements issued by the EPA.

NOTE 14 - SIGNIFICANT ESTIMATES

As discussed in Note 1, estimates are used in the preparation of these financial statements. Three of the estimates qualify as significant estimates in that it is reasonably possible that the estimates will change in the near term due to one or more future confirming events and this change will have a material effect on the financial statements.

These estimates are as follows:

- The liability for landfill closure and postclosure care cost is based on estimates provided by the County's engineering consultants and reduced each year by expenses related to the closure and postclosure of the landfill. These estimates are based on what it would cost to perform closure and postclosure care currently. Actual costs may change due to higher inflation, changes in technology, or changes in regulations.

- The estimate for accumulated depreciation on capital assets. This estimate is based on the original or estimated cost of the assets, depreciated over the estimated useful lives using the straight line method and composite method.

NOTE 15 - HOTEL/MOTEL TAX

During the year ended June 30, 2013, the County had receipts of $42,908 and spent $25,192 to promote tourism, conventions, and trade shows. Of this amount $13,400 was for state parks operated by the Department of Natural Resources. The total expenditures represent 100% of the tax receipts to be expended for these purposes under OCGA 48-13-51. The County has complied with the requirements of this law.

NOTE 16 - RELATED PARTY TRANSACTIONS

On October 6, 1998, Morgan County Commissioners voted to approve a resolution authorizing the release of Morgan County from the Joint Development Authority consisting of Athens-Clarke, Jackson, Madison, Morgan, Oconee, Oglethorpe and Walton counties.

During 1998, the Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County, a joint venture, was formed for the purpose of purchasing and developing an industrial site. The land was purchased through the Walton County Development Authority with temporary financing from Walton County until such time as the Joint Authority could issue permanent bond financing for the project. The Joint Authority issued $9,000,000 in bonded debt in October 2000 for repayment of the Walton County Development Authority, to pay issuance costs of the bond, and to provide initial development costs. The stated percentages of ownership and debt assumption are as follows: Newton County 37.5%, Walton County 37.5%, Morgan County 15%, and Jasper County 10%. The debt will amortize from 2001 and continue through 2021. This debt is discussed more fully in Note 7. The County records the investment in the joint venture at a value of $2,436,625, using the equity interest method.

The Authority entered into an agreement with Technology Park/Atlanta in 2000 that gave Technology Park/Atlanta the option to purchase land at the site at approximately 10% over the Authority's cost. The takedown schedule is summarized as follows:

				Revenue Generated (for Authority)
Phase 1 - Within 3 years	100 acres	Taken down in 2003	$	702,000
Phase 2 - Within 5 years	100 acres	225 acres taken down in 2005	$	1,650,000
Phase 3 - 2010	17 acres	17 acres taken down in 2010	$	208,080
Phase 4 - 2011	22 acres	22 acres taken down in 2011	$	275,375
Phase 5 - 2012	20 acres	20 acres taken down in 2012	$	259,302
Phase 6 - 2012	19 acres		$	-
Phase 7 - 2014	18 acres		$	-
Phase 8 - 2015	379 acres		$	-
Phase 9 - 2020	Balance of property		$	-

Should Technology Park/Atlanta fail to exercise an option, the balance of the property would be available for sale to other properties.

Separate financial statements of the Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County can be obtained directly from: Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County, C/O Madison Chamber of Commerce, 115 East Jefferson Street, Madison, Georgia 30650.

NOTE 17 - SUBSEQUENT EVENTS

Hospital Authority Discretely Presented Component Unit

On November 15, 2013, the Authority sold the Certificate of Need and related assets of the hospital-based skilled nursing unit for approximately $240,000.

Required Supplementary Information



MORGAN COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION FUNDING PROGRESS
For the Year Ended June 30, 2013
"Unaudited"

Actuarial Valuation Date (1/1)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2012	$ 5,787,871	$ 8,331,347	69.5 %	$ 2,543,476	$ 3,953,057	64.3 %
2011	$ 5,344,805	$ 7,640,940	69.9 %	$ 2,296,135	$ 3,639,834	63.1 %
2010	$ 5,164,339	$ 6,986,114	73.9 %	$ 1,821,775	$ 3,217,395	56.6 %
2009	$ 4,610,501	$ 6,480,259	71.1 %	$ 1,869,758	$ 2,842,259	65.8 %
2008	$ 4,556,779	$ 5,872,195	77.6 %	$ 1,315,416	$ 2,672,957	49.2 %
2007	$ 3,995,995	$ 5,266,541	75.9 %	$ 1,270,546	$ 2,706,560	46.9 %

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets available for benefits as a percentage of the actuarial accrued liability provides one indication of funding status on a going concern basis. Analysis of this percentage over time indicates whether the system is becoming financial stronger or weaker. Generally, the greater this percentage, the stronger the Plan.

Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

MORGAN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2013
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 5,749,432	$ 5,749,432	$ 5,749,432	$ -
RESOURCES (INFLOWS)				
Taxes	9,630,680	9,630,680	9,661,703	31,023
Licenses and permits	130,000	130,000	154,719	24,719
Intergovernmental	734,100	734,100	559,084	(175,016)
Fines and forfeitures	448,000	448,000	505,680	57,680
Charges for services	1,471,615	1,171,615	1,239,204	67,589
Contributions and donations	40,000	40,000	73,965	33,965
Investment income	25,000	25,000	2,166	(22,834)
Miscellaneous	4,300	4,300	4,215	(85)
Sale of county property	12,500	12,500	560	(11,940)
Transfers in	80,000	80,000	97,716	17,716
Total Resources (Inflows)	12,276,195	12,276,195	12,299,012	22,817
AMOUNTS AVAILABLE FOR APPROPRIATION	18,025,627	18,025,627	18,048,444	22,817
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Board of commissioners	66,283	72,536	72,536	-
County manager	287,474	289,383	289,382	1
County clerk	67,496	68,196	68,115	81
Elections	160,887	160,887	155,780	5,107
Finance	516,475	260,179	245,652	14,527
Law	107,000	125,476	125,476	-
Management information	368,399	358,799	344,986	13,813
Human resources	48,335	47,635	44,849	2,786
Tax commissioner	236,508	250,776	250,745	31
Tax assessor	472,877	481,453	481,422	31
Risk management	201,000	201,000	187,399	13,601
General government buildings	624,386	614,421	604,302	10,119
Records management	13,676	13,676	10,820	2,856
General administration fees	21,700	21,700	20,996	704
Total General Government	3,192,496	2,966,117	2,902,460	63,657
Judicial				
Ocmulgee Circuit	40,147	32,464	21,274	11,190
Clerk of superior court	464,670	450,700	432,156	18,544
District attorney	56,439	64,122	64,059	63
Magistrate court	279,778	291,191	291,187	4
Probate court	236,487	244,271	244,260	11
Juvenile court	27,940	28,686	28,686	-
Public defender	57,341	57,341	57,341	-
Total Judicial	1,162,802	1,168,775	1,138,963	29,812
Public Safety				
Sheriff	1,840,115	1,934,915	1,934,840	75
Jail operation	1,559,384	1,485,852	1,485,809	43
Fire administration	597,788	620,702	620,702	-
Ambulance	310,505	318,307	318,306	1
Coroner/Medical Examiner	20,768	26,143	26,143	-
Emergency Management Agency	63,158	63,379	62,875	504
Animal control	223,826	225,727	225,726	1
Total Public Safety	4,615,544	4,675,025	4,674,401	624
Public Works				
Highways and streets	1,252,923	1,289,916	1,289,049	867
Maintenance and shop	116,233	116,233	116,000	233
Total Public Works	1,369,156	1,406,149	1,405,049	1,100

MORGAN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2013
(Required Supplementary Information)

CONTINUED.....	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Public Health and Welfare				
Senior citizens center	261,648	278,305	277,836	469
Transportation services	247,723	232,823	232,801	22
D.F.A.C.S.	43,002	43,002	43,002	-
Advantage behavioral	22,200	22,200	22,200	-
Health care facilities	880,339	880,339	876,939	3,400
Total Public Health and Welfare	1,454,912	1,456,669	1,452,778	3,891
Recreation and Culture				
Parks and recreation	773,057	845,191	840,795	4,396
Library	200,904	206,415	198,601	7,814
Total Recreation and Culture	973,961	1,051,606	1,039,396	12,210
Housing and development				
Soil conservation	17,788	17,788	10,348	7,440
Forestry services	32,265	32,265	32,265	-
Building inspection	206,499	189,057	170,848	18,209
Planning and zoning	133,999	151,441	142,582	8,859
Economic development	-	5,250	5,250	-
County agent	81,819	87,589	87,579	10
Development authority	44,257	45,501	45,500	1
Total Housing and Development	516,627	528,891	494,372	34,519
Debt service	225,710	248,012	247,618	394
Transfers out	680,399	900,879	900,879	-
TOTAL CHARGES TO APPROPRIATIONS	14,191,607	14,402,123	14,255,916	145,813
CHANGE IN FUND BALANCE	(1,915,412)	(2,125,928)	(1,956,904)	169,024
FUND BALANCE, End of year	$ 3,834,020	$ 3,623,504	$ 3,792,528	$ 169,024

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific purposes. The following special revenue funds are maintained by the County:

Emergency Telephone Service - to account for the monthly "911" charge to help fund the cost of providing the service as provided in title 46, Chapter 5 of the Official Code of Georgia Annotated.

Restricted Programs Fund - to account for funds, such as fines, confiscated monies and donations received by Elected Officials of Morgan County to be expended within legal guidelines of each program.

Hotel/Motel Tax – to account for taxes charged on rental of hotel/motel rooms as provided in title 48, chapter 13 of the Official Code of Georgia Annotated. These funds are used for the promotion of tourism, conventions and trade shows in the County.

Law Library - to account for funds collected from fines and forfeitures to be used to maintain the Law Library as provided in title 36, chapter 15 of the Official Code of Georgia Annotated.

Sheriff's Law Enforcement - to account for funds from seizures to be used for law enforcement activities.

Multiple Grant Fund – to account for funds received as grants from state and federal sources to be used for specific capital and operating expenditures.

MORGAN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013

	SPECIAL REVENUE FUNDS						
	EMERGENCY TELEPHONE SERVICES	RESTRICTED PROGRAMS FUND	HOTEL MOTEL TAX	LAW LIBRARY	SHERIFF'S LAW ENFORCEMENT	MULTIPLE GRANT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS							
Cash	$ -	$ 98,050	$ -	$ 9,619	$ 75,372	$ 1,391	$ 184,432
Receivables (net of allowance for uncollectibles)	65,057	150	3,208	788	-	-	69,203
Interfund receivables	34,209	-	-	-	-	-	34,209
Prepaid items	1,414	-	-	-	-	-	1,414
TOTAL ASSETS	$ 100,680	$ 98,200	$ 3,208	$ 10,407	$ 75,372	$ 1,391	$ 289,258
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 11,892	$ -	$ 1,782	$ 250	$ -	$ 1,391	$ 15,315
Other accrued items	9,862	-	-	-	-	-	9,862
Interfund payables	77,512	-	1,426	-	-	-	78,938
TOTAL LIABILITIES	99,266	-	3,208	250	-	1,391	104,115
TOTAL LIABILITIES, AND DEFERRED INFLOWS OF RESOURCES	99,266	-	3,208	250	-	1,391	104,115
FUND BALANCES							
Nonspendable:							
Prepaid expenditure	1,414	-	-	-	-	-	1,414
Restricted:							
Judicial programs	-	-	-	10,157	-	-	10,157
Public safety programs	-	75,828	-	-	75,372	-	151,200
Health and welfare programs	-	22,372	-	-	-	-	22,372
TOTAL FUND BALANCES	1,414	98,200	-	10,157	75,372	-	185,143
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 100,680	$ 98,200	$ 3,208	$ 10,407	$ 75,372	$ 1,391	$ 289,258

MORGAN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

	SPECIAL REVENUE FUNDS						
	EMERGENCY TELEPHONE SERVICE	RESTRICTED PROGRAMS FUND	HOTEL/ MOTEL TAX	LAW LIBRARY	SHERIFF'S LAW ENFORCEMENT	MULTIPLE GRANT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES							
Taxes	$ -	$ -	$ 42,908	$ -	$ -	$ -	$ 42,908
Intergovernmental	124,238	-	-	-	10,688	46,287	181,213
Fines and forfeitures	-	73,912	-	26,879	4,519	-	105,310
Charges for services	294,731	-	-	-	-	-	294,731
Contributions and donations	-	-	-	-	10,166	-	10,166
Investment income	138	152	-	-	95	-	385
TOTAL REVENUES	419,107	74,064	42,908	26,879	25,468	46,287	634,713
EXPENDITURES							
Current Expenditures							
Judicial	-	-	-	23,310	-	-	23,310
Public safety	727,845	-	-	-	70,133	20,726	818,704
Housing and development	-	-	25,192	-	-	-	25,192
Capital outlay	17,162	-	-	-	-	35,526	52,688
Debt service							
Principal	9,410	-	-	-	-	-	9,410
Interest	1,757	-	-	-	-	-	1,757
TOTAL EXPENDITURES	756,174	-	25,192	23,310	70,133	56,252	931,061
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(337,067)	74,064	17,716	3,569	(44,665)	(9,965)	(296,348)
OTHER FINANCING SOURCES (USES)							
Sale of county property	-	-	-	-	16,649	-	16,649
Transfers in	285,515	-	-	-	-	9,965	295,480
Transfers out	-	(80,000)	(17,716)	-	-	-	(97,716)
TOTAL OTHER FINANCING SOURCES (USES)	285,515	(80,000)	(17,716)	-	16,649	9,965	214,413
NET CHANGE IN FUND BALANCES	(51,552)	(5,936)	-	3,569	(28,016)	-	(81,935)
FUND BALANCES, Beginning of year	52,966	104,136	-	6,588	103,388	-	267,078
FUND BALANCES, End of year	$ 1,414	$ 98,200	$ -	$ 10,157	$ 75,372	$ -	$ 185,143

MORGAN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND
For the Year Ended June 30, 2013

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 52,966	$ 52,966	$ 52,966	$ -
RESOURCES (INFLOWS)				
Intergovernmental	115,000	115,000	124,238	9,238
Charges for services	300,000	300,000	294,731	(5,269)
Investment income	-	-	138	138
Transfer in	128,402	289,114	285,515	(3,599)
Total Resources (Inflows)	543,402	704,114	704,622	508
AMOUNTS AVAILABLE FOR APPROPRIATION	596,368	757,080	757,588	508
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	596,368	757,080	756,174	906
TOTAL CHARGES TO APPROPRIATIONS	596,368	757,080	756,174	906
CHANGE IN FUND BALANCE	(52,966)	(52,966)	(51,552)	1,414
FUND BALANCE, End of year	$ -	$ -	$ 1,414	$ 1,414

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

MORGAN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
RESTRICTED PROGRAMS SPECIAL REVENUE FUND
For the Year Ended June 30, 2013

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 104,136	$ 104,136	$ 104,136	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	90,000	90,000	73,912	(16,088)
Investment income	-	-	152	152
Total Resources (Inflows)	90,000	90,000	74,064	(15,936)
AMOUNTS AVAILABLE FOR APPROPRIATION	194,136	194,136	178,200	(15,936)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	22,700	4,700	-	4,700
Public health and welfare	5,300	5,300	-	5,300
Transfers out	62,000	80,000	80,000	-
TOTAL CHARGES TO APPROPRIATIONS	90,000	90,000	80,000	10,000
CHANGE IN FUND BALANCE	-	-	(5,936)	(5,936)
FUND BALANCE, End of year	$ 104,136	$ 104,136	$ 98,200	$ (5,936)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

MORGAN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
HOTEL / MOTEL TAX SPECIAL REVENUE FUND
For the Year Ended June 30, 2013

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Taxes	35,000	43,000	42,908	(92)
Total Resources (Inflows)	35,000	43,000	42,908	(92)
AMOUNTS AVAILABLE FOR APPROPRIATION	35,000	43,000	42,908	(92)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development	23,625	25,625	25,192	433
Transfers out	11,375	17,375	17,716	(341)
TOTAL CHARGES TO APPROPRIATIONS	35,000	43,000	42,908	92
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, End of year	$ -	$ -	$ -	$ -

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

MORGAN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
LAW LIBRARY SPECIAL REVENUE FUND
For the Year Ended June 30, 2013

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 6,588	$ 6,588	$ 6,588	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	35,000	35,000	26,879	(8,121)
Total Resources (Inflows)	35,000	35,000	26,879	(8,121)
AMOUNTS AVAILABLE FOR APPROPRIATION	41,588	41,588	33,467	(8,121)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	35,000	35,000	23,310	11,690
TOTAL CHARGES TO APPROPRIATIONS	35,000	35,000	23,310	11,690
CHANGE IN FUND BALANCE	-	-	3,569	3,569
FUND BALANCE, End of year	$ 6,588	$ 6,588	$ 10,157	$ 3,569

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

MORGAN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
SHERIFF'S LAW ENFORCEMENT SPECIAL REVENUE FUND
For the Year Ended June 30, 2013

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 103,388	$ 103,388	$ 103,388	$ -
RESOURCES (INFLOWS)				
Intergovernmental	-	-	10,688	10,688
Fines and forfeitures	100,000	100,000	4,519	(95,481)
Charges for services	2,000	2,000	-	(2,000)
Contributions and donations	5,000	5,000	10,166	5,166
Investment income	500	500	95	(405)
Miscellaneous	2,000	2,000	-	(2,000)
Sale of county property	-	-	16,649	16,649
Total Resources (Inflows)	109,500	109,500	42,117	(67,383)
AMOUNTS AVAILABLE FOR APPROPRIATION	212,888	212,888	145,505	(67,383)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	117,200	117,200	70,133	47,067
TOTAL CHARGES TO APPROPRIATIONS	117,200	117,200	70,133	47,067
CHANGE IN FUND BALANCE	(7,700)	(7,700)	(28,016)	(20,316)
FUND BALANCE, End of year	$ 95,688	$ 95,688	$ 75,372	$ (20,316)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP

MORGAN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
MULTIPLE GRANT SPECIAL REVENUE FUND
For the Year Ended June 30, 2013

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Intergovernmental	-	46,287	46,287	-
Transfer in	-	9,965	9,965	-
Total Resources (Inflows)	-	56,252	56,252	-
AMOUNTS AVAILABLE FOR APPROPRIATION	-	56,252	56,252	-
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Public safety	-	56,252	56,252	-
TOTAL CHARGES TO APPROPRIATIONS	-	56,252	56,252	-
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, End of year	$ -	$ -	$ -	$ -

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. Agency funds maintained by the County are as follows:

Tax Commissioner - to account for the collection of property taxes, motor vehicle tag and title fees and mobile home fees, etc. which are disbursed to various taxing units.

Clerk of Superior Court - to account for the collection of various fines, forfeitures, jury fund receipts, real estate transfer taxes, recording of intangibles, fees, civil awards, etc. which are disbursed to other parties.

Probate Court - to account for the collection of fees for a probate of wills, administration of estates, issuance of marriage licenses, and maintenance of other vital records which are disbursed to other parties.

Magistrate Court - to account for the collection of fees in jurisdiction of small claims courts which are disbursed to other parties.

Sheriff - to account for the collection of cash bonds, fines, forfeitures, fifas, etc. which are disbursed to other parties.

MORGAN COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
June 30, 2013

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash	$ 208,985	$ 164,663	$ 42,709	$ 2,043	$ 60,034	$ 478,434
TOTAL ASSETS	$ 208,985	$ 164,663	$ 42,709	$ 2,043	$ 60,034	$ 478,434
LIABILITIES						
Amounts held in trust	$ 208,985	$ 164,663	$ 42,709	$ 2,043	$ 60,034	$ 478,434
TOTAL LIABILITIES	$ 208,985	$ 164,663	$ 42,709	$ 2,043	$ 60,034	$ 478,434

MORGAN COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2013

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash						
Balance, July 1, 2012	$ 4,832	$ 251,087	$ 48,415	$ 1,700	$ 50,032	$ 356,066
Additions	21,800,406	951,195	763,668	336,308	189,696	24,041,273
Deductions	(21,596,253)	(1,037,619)	(769,374)	(335,965)	(179,694)	(23,918,905)
Balance, June 30, 2013	208,985	164,663	42,709	2,043	60,034	478,434
TOTAL ASSETS	$ 208,985	$ 164,663	$ 42,709	$ 2,043	$ 60,034	$ 478,434
LIABILITIES						
Due to County						
Balance, July 1, 2012	$ -	$ -	$ -	$ -	$ -	$ -
Additions	7,126,510	360,266	487,181	86,539	53,871	8,114,367
Deductions	(7,126,510)	(360,266)	(487,181)	(86,539)	(53,871)	(8,114,367)
Balance, June 30, 2013	-	-	-	-	-	-
Amounts held in trust						
Balance, July 1, 2012	4,832	251,087	48,415	1,700	50,032	356,066
Additions	14,673,896	590,929	276,487	249,769	135,825	15,926,906
Deductions	(14,469,743)	(677,353)	(282,193)	(249,426)	(125,823)	(15,804,538)
Balance, June 30, 2013	208,985	164,663	42,709	2,043	60,034	478,434
Total Liabilities						
Balance, July 1, 2012	4,832	251,087	48,415	1,700	50,032	356,066
Additions	21,800,406	951,195	763,668	336,308	189,696	24,041,273
Deductions	(21,596,253)	(1,037,619)	(769,374)	(335,965)	(179,694)	(23,918,905)
TOTAL LIABILITIES	$ 208,985	$ 164,663	$ 42,709	$ 2,043	$ 60,034	$ 478,434

Supplementary Information



MORGAN COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the Year Ended June 30, 2013

SPLOST #V - Commenced April 1, 2007 Project	Original Estimated Cost	Current Estimated Cost	Amount Expended Year 1 2007	Year 2 2008	Year 3 2009	Year 4 2010	Year 5 2011	Year 6 2012	Year 7 2013	Total
LEVEL 1 COUNTY PROJECTS										
Public safety/Detention Center	$ 10,500,000	$12,000,000	$ -	$4,403,358	$7,419,912	$12,182,166	$ 850,404	$ 352,876	$ 351,506	$25,560,222
LEVEL 2 COUNTY PROJECTS										
Road and Bridge Improvements and Equipment	10,500,000	10,500,000	-	293,468	1,351,017	896,810	262,768	1,727,366	880,321	5,413,751
Library Facility Improvements and Equipment	900,000	900,000	-		-	300,000	-	600,000	-	900,000
Recreational Facility Improvements and Equipment	750,000	1,000,000	-	22,800	950,948	-	-	-	-	973,748
Water System Improvements and Equipment	233,391	233,391	-		1,456	-	-	-	-	1,456
Sanitation Improvements and Equipment	59,000	59,000	-		-	550	-	47,966	-	48,516
Purchase of and Improvements to County Administration Building	1,000,000	1,000,000	-	157,094	-	-	-	-	-	157,094
Interest expense on Bonds, less interest income	-	-	(346)	28,252	-	-	-	-	-	27,906
Subtotal All County Projects	23,942,391	25,692,391	(346)	4,904,973	9,723,333	13,381,526	1,113,172	2,728,208	1,231,827	33,082,693
MUNICIPAL PROJECTS										
City of Madison										
Road and Bridge Improvements and Equipment	600,000	600,000	21,779	87,558	77,334	79,499	80,874	83,292	60,517	490,853
Public Works Building Construction/Improvements and Equipment	400,000	400,000	14,520	58,372	51,556	53,000	53,916	55,528	40,344	327,236
Public Safety Building Construction/Improvements and Equipment	350,000	350,000	12,705	51,075	45,111	46,375	47,177	48,587	35,301	286,331
City Hall Renovations	250,000	250,000	9,075	36,482	32,222	33,125	33,698	34,705	25,215	204,522
Park Improvements and Equipment	204,400	204,400	7,419	29,828	26,345	27,083	27,551	28,375	20,616	167,217
Subtotal	1,804,400	1,804,400	65,498	263,315	232,568	239,082	243,216	250,487	181,993	1,476,159
City of Rutledge										
Water and Sewer System Improvements and Equipment	158,600	158,600	5,757	23,040	20,357	20,934	21,296	21,926	15,964	129,274
City of Bostwick										
Road and Bridge Improvements and Equipment	30,000	30,000	1,089	4,407	3,946	3,885	4,044	4,161	3,026	24,558
City Hall Improvements and Equipment	13,435	13,435	488	1,974	1,767	1,740	1,811	1,863	1,355	10,998
Water System Improvements and Equipment	15,000	15,000	544	2,203	1,973	1,942	2,022	2,080	1,513	12,277
Subtotal	58,435	58,435	2,121	8,584	7,686	7,567	7,877	8,104	5,894	47,833
City of Buckhead										
Road and Bridge Improvements and Equipment	21,174	21,174	769	3,093	2,778	2,755	2,854	2,944	2,139	17,332
Fire Station Improvements/Addition	15,000	15,000	544	2,191	1,968	1,952	2,022	2,085	1,516	12,278
Subtotal	36,174	36,174	1,313	5,284	4,746	4,707	4,876	5,029	3,655	29,610
Total All City Projects (1)	2,057,609	2,057,609	74,689	300,223	265,357	272,290	277,265	285,546	207,506	1,682,876
Total All Projects	$ 26,000,000	$27,750,000	$ 74,343	$5,205,196	$9,988,690	$13,653,816	$1,390,437	$3,013,754	$1,439,333	$34,765,569

1. The County remits the tax collected to the Municipalities who are responsible for reporting on the expenditures in accordance with OCGA 48-8-121.

MORGAN COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the Year Ended June 30, 2013

SPLOST # VI - Commenced April 1, 2013 Project	Original Estimated Cost	Current Estimated Cost	Amount Expended Year 1 2013	Total
LEVEL 1 COUNTY PROJECTS				
Debt Service Public Safety Complex	$ 12,000,000	$12,000,000	$ 1,491,506	$ 1,491,506
LEVEL 2 COUNTY PROJECTS				
Fire Facility Improvements and Equipment	1,512,018	1,512,018	46,483	46,483
Solid Waste & Recycling Equipment and Infrastructure	600,000	600,000	248,696	248,696
Recreational Field and Facility Improvements	375,000	375,000	32,845	32,845
Emergency Management Services Office	250,000	250,000	-	-
E911 System Upgrades	850,000	850,000	95,365	95,365
County Facilities Improvements and Equipment	433,360	433,360	57,500	57,500
Road and Bridge Improvements and Equipment	5,986,982	5,986,982	-	-
Subtotal All County Projects	22,007,360	22,007,360	1,972,395	1,972,395
MUNICIPAL PROJECTS				
City of Madison				
Road and Bridge Improvements and Equipment	800,000	800,000	26,410	26,410
Hill Park Restrooms	100,000	100,000	3,301	3,301
Public Safety Building Construction/Improvements and Equipment	550,000	550,000	18,156	18,156
City Hall Renovations	400,000	400,000	13,205	13,205
Acquisition of Town Park	1,000,000	1,000,000	33,012	33,012
Parks and Greenspace	267,640	267,640	8,835	8,835
Subtotal	3,117,640	3,117,640	102,919	102,919
City of Rutledge				
Fears Road Well Construction	161,500	161,500	5,332	5,332
Water Line Replacement - Newborn Road	168,500	168,500	5,562	5,562
Scada System Upgrade	105,000	105,000	3,466	3,466
Mini Excavator	35,000	35,000	1,155	1,155
Work Truck	30,000	30,000	990	990
Subtotal	500,000	500,000	16,505	16,505
City of Bostwick				
Demolition of Community Center, Construction of Parking	50,000	50,000	1,651	1,651
City Park Improvements	150,000	150,000	4,954	4,954
Sidewalk Additions and Improvements	25,000	25,000	826	826
Traffic Calming Devices	25,000	25,000	826	826
Subtotal	250,000	250,000	8,257	8,257
City of Buckhead				
Fire Station Improvements	40,000	40,000	1,321	1,321
Town Park Improvements	40,000	40,000	1,321	1,321
Sidewalk Improvements	32,500	32,500	1,073	1,073
Lawn Care Equipment	12,500	12,500	413	413
Subtotal	125,000	125,000	4,128	4,128
Total All City Projects **(1)**	3,992,640	3,992,640	131,809	131,809
Total All Projects	$ 26,000,000	$26,000,000	$ 2,104,204	$ 2,104,204

1. The County remits the tax collected to the Municipalities who are responsible for reporting on the expenditures in accordance with OCGA 48-8-121.

MORGAN COUNTY, GEORGIA
Reconciliation of Expenditures for SPLOST
For the Year Ended June 30, 2013

Amounts may not add due to rounding

Statement of Revenues, Expenditures and Changes in Fund Balance (page 5)		
	Expenditures	$ 3,720,199
	Transfers out	243,193
Subtotal		3,963,392
Less items not included as expenditures on SPLOST schedule below:		
Revenue from State grants used for expenditures first before SPLOST funds		(419,855)
Subtotal of adjustments		(419,855)
Expenditures reported on Splost schedule below		**$ 3,543,537**
Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (pages 60-61)		
	Splost # V	1,439,333
	Splost # VI	2,104,204
		$ 3,543,537
	Difference	-

STATISTICAL SECTION

This part of the county's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	**Table**
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Net Position by Component	1
Changes in Net Position	2
Fund Balances of Governmental Funds	3
Changes in Fund Balances of Governmental Funds	4
Five Year General Fund History	4A
General Governmental Tax Revenues by Source	5
Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Assessed Value and Estimated Actual Value of Taxable Property	6
Property Tax Rates (Direct and Overlapping Governments)	7
Principal Property Taxpayers	8
Property Tax Levies and Collections	9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Ratios of Outstanding Debt by Type	10
Other Long-Term Liabilities	10A
Reserved for Future Use	11
Direct and Overlapping Governmental Activities Debt	12
Legal Debt Margin Information	13
Reserved for Future Use	14
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Demographic and Economic Statistics	15
Principal Employers	16
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	
Full-Time Equivalent County Government Employees by Function	17
Operating Indicators by Function	18
Capital Asset Statistics by Function	19

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Note: Tables may not add due to rounding

MORGAN COUNTY, GEORGIA
NET POSITIONS BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005 [1]	2006	2007	2008	2009	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES										
Invested in capital assets, net of related debt	$ 15,661,171	$ 18,837,911	$ 20,320,166	$ 60,744,769	$ 61,204,935	$ 55,714,514	$ 56,528,239	$ 56,112,122	$ 54,427,414	$ 56,643,351
Restricted	-	391,525	4,213,208	3,371,944	4,656,654	2,894,625	1,034,074	1,988,959	1,008,376	864,445
Unrestricted:	5,122,065	4,681,821	4,949,319	6,013,298	6,387,344	7,956,715	8,764,214	7,642,504	6,808,528	5,393,386
Total governmental activities net position	$ 20,783,236	$ 23,911,257	$ 29,482,693	$ 70,130,011	$ 72,248,933	$ 66,565,854	$ 66,326,527	$ 65,743,585	$ 62,244,318	$ 62,901,182
BUSINESS-TYPE ACTIVITIES										
Invested in capital assets, net of related debt	$ 523,095	$ 488,361	$ 494,434	$ 623,605	$ 553,538	$ 498,269	$ 435,751	$ 423,478	$ 388,750	$ 605,828
Unrestricted	(347,562)	(348,984)	(384,063)	(389,821)	(197,287)	(93,952)	(273,097)	(290,420)	(388,750)	(369,352)
Total business-type activities net position	$ 175,533	$ 139,377	$ 110,371	$ 233,784	$ 356,251	$ 404,317	$ 162,654	$ 133,058	$ -	$ 236,476
PRIMARY GOVERNMENT										
Invested in capital assets, net of related debt	$ 16,184,266	$ 19,326,272	$ 20,814,600	$ 61,368,374	$ 61,758,473	$ 56,212,783	$ 56,963,990	$ 56,535,600	$ 54,816,164	$ 57,249,179
Restricted	-	391,525	4,213,208	3,371,944	4,656,654	2,894,625	1,034,074	1,988,959	1,008,376	864,445
Unrestricted	4,774,503	4,332,837	4,565,256	5,623,477	6,190,057	7,862,763	8,491,117	7,352,084	6,419,778	5,024,034
Total primary government net position	$ 20,958,769	$ 24,050,634	$ 29,593,064	$ 70,363,795	$ 72,605,184	$ 66,970,171	$ 66,489,181	$ 65,876,643	$ 62,244,318	$ 63,137,658

Note:
(1) Retroactive infrastructure was added in 2007.
(2) In 2009, the County changed its method of depreciation expense for road infrastructure assets.
As a result, invested in capital assets decreased $5,271,148.
(3) In 2011, the County implemented GASB 54.

MORGAN COUNTY, GEORGIA
CHANGES IN NET POSITIONS
Last Ten Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENSES										
Governmental activities:										
General government	$ 1,833,593	$ 1,937,747	$ 2,183,580	$ 2,829,700	$ 2,855,057	$ 3,133,984	$ 3,351,744	$ 3,387,849	$ 3,550,225	$ 3,239,715
Judicial	911,146	914,292	947,640	991,742	1,109,741	1,157,153	1,184,957	1,189,888	1,181,395	1,163,564
Public safety	3,617,274	3,962,080	4,405,079	4,554,357	4,913,787	5,191,945	5,307,303	6,433,955	6,388,700	6,409,666
Public works	2,277,712	2,665,452	2,319,947	4,608,035	4,522,872	4,792,370	4,855,857	4,010,735	4,981,927	4,848,108
Health and welfare	1,653,325	1,714,015	1,769,044	1,736,282	1,819,094	1,828,844	1,659,014	1,655,525	1,374,205	1,526,002
Recreation and culture	583,112	742,137	709,565	791,172	846,539	944,780	1,219,227	1,000,265	1,635,981	1,073,367
Housing and development	438,871	639,383	669,125	756,911	884,788	764,023	661,589	568,418	569,188	501,473
Intergovernmental	183,661	142,012	165,561	-	-	-	-	-	-	-
Interest on long-term debt	243,250	199,383	180,184	171,729	623,216	869,746	830,572	764,021	728,723	633,055
Total governmental activities expenses	11,741,944	12,916,501	13,349,725	16,439,928	17,575,094	18,682,845	19,070,263	19,010,656	20,410,344	19,394,950
Business-type activities:										
Solid waste disposal facility	562,979	599,244	953,260	1,099,220	1,229,757	1,173,153	954,279	987,377	924,782	868,546
Total business-type activities expenses	562,979	599,244	953,260	1,099,220	1,229,757	1,173,153	954,279	987,377	924,782	868,546
Total primary government expenses	12,304,923	13,515,745	14,302,985	17,539,148	18,804,851	19,855,998	20,024,542	19,998,033	21,335,126	20,263,496
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	344,267	373,630	388,148	491,005	702,075	562,398	583,893	757,176	778,590	697,902
Judicial	1,046,759	965,623	969,501	802,409	937,425	985,746	1,039,309	853,314	600,536	753,130
Public safety	422,013	576,625	690,812	469,412	617,775	623,592	646,449	669,836	538,653	442,129
Public works	-	-	-	-	-	-	-	-	-	300
Health and welfare	206,143	221,360	214,077	197,622	70,531	59,628	49,433	46,382	37,069	18,520
Recreation and culture	135,495	122,864	129,017	165,268	221,360	206,481	262,664	250,468	258,698	267,432
Housing and development	279,776	344,664	349,000	426,486	345,103	415,055	149,986	127,478	170,581	1,195,072
Total charges for services	2,434,453	2,604,766	2,740,555	2,552,202	2,894,269	2,852,900	2,731,734	2,704,654	2,384,127	3,374,485
Operating grants and contributions	496,118	453,368	423,841	524,910	423,937	345,115	1,021,163	1,498,111	774,145	3,838,006
Capital grants and contributions	448,632	196,956	1,060,470	501,932	590,657	412,386	320,317	182,113	83,273	472,996
Total governmental activities program revenues	3,379,203	3,255,090	4,224,866	3,579,044	3,908,863	3,610,401	4,073,214	4,384,878	3,241,545	7,685,487

continued continued

MORGAN COUNTY, GEORGIA
CHANGES IN NET POSITIONS
Last Ten Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services:										
Solid waste disposal facility	343,791	415,477	348,093	385,146	406,576	341,034	287,163	327,258	291,399	256,398
Total charges for services	343,791	415,477	348,093	385,146	406,576	341,034	287,163	327,258	291,399	256,398
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	343,791	415,477	348,093	385,146	406,576	341,034	287,163	327,258	291,399	256,398
Total primary government program revenues	$ 3,722,994	$ 3,670,567	$ 4,572,959	$ 3,964,190	$ 4,315,439	$ 3,951,435	$ 4,360,377	$ 4,712,136	$ 3,532,944	$ 7,941,885
Net (expense)/revenue										
Governmental activities	$ (8,362,741)	$ (9,661,411)	$ (9,124,859)	$ (12,860,884)	$ (13,666,231)	$ (15,072,444)	$ (14,997,049)	$ (14,625,778)	$ (17,168,799)	$ (11,709,463)
Business-type activities	(219,188)	(183,767)	(605,167)	(714,074)	(823,181)	(832,119)	(667,116)	(660,119)	(633,383)	(612,148)
Total primary government net expense	(8,581,929)	(9,845,178)	(9,730,026)	(13,574,958)	(14,489,412)	(15,904,563)	(15,664,165)	(15,285,897)	(17,802,182)	(12,321,611)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITIONS										
Governmental activities:										
Taxes										
Property Taxes	6,119,749	6,688,847	7,442,866	7,692,493	8,329,546	8,263,596	8,312,443	7,609,634	6,845,343	6,230,340
Sales Taxes	4,127,396	4,998,280	6,303,494	6,359,917	6,569,439	5,797,590	5,963,470	6,059,666	6,243,915	6,023,650
Insurance premium tax	403,595	436,698	466,340	488,710	513,885	526,410	518,862	504,631	525,844	561,768
Real estate and recording taxes	229,384	217,697	289,000	261,507	213,685	173,461	116,810	99,292	103,839	135,389
Other taxes	133,462	184,186	163,146	167,705	152,497	141,240	133,615	138,222	148,663	143,861
Total taxes	11,013,587	12,525,708	14,664,846	14,970,332	15,779,052	14,902,297	15,045,200	14,411,445	13,867,604	13,095,008
Unrestricted grants and contributions	294,967	341,074	348,739	353,997	304,611	307,172	-	228,308	258,767	356,525
Investment earnings	65,508	58,014	219,374	435,174	615,431	261,418	92,485	28,193	6,412	2,550
Miscellaneous	20,167	11,720	38,157	26,663	26,087	68,111	45,037	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	5,065	36,978	17,209
Transfers	(121,141)	(147,084)	(574,821)	(835,990)	(940,028)	(878,485)	(425,000)	(630,175)	(500,228)	(848,592)
Total governmental activities	11,273,088	12,789,432	14,696,295	14,950,176	15,785,153	14,660,513	14,757,722	14,042,836	13,669,533	12,622,700

continued continued

MORGAN COUNTY, GEORGIA
CHANGES IN NET POSITIONS
Last Ten Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Investment earnings	469	527	1,340	1,497	5,620	1,700	454	348	97	32
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	121,141	147,084	574,821	835,990	940,028	878,485	425,000	630,175	500,228	848,592
Total business-type activities	121,610	147,611	576,161	837,487	945,648	880,185	425,454	630,523	500,325	848,624
Total primary government	11,394,698	12,937,043	15,272,456	15,787,663	16,730,801	15,540,698	15,183,176	14,673,359	14,169,858	13,471,324
CHANGE IN NET POSITIONS										
Governmental activities	2,910,347	3,128,021	5,571,436	2,089,292	2,118,922	(411,931)	(239,327)	(582,942)	(3,499,266)	913,237
Business-type activities	(97,578)	(36,156)	(29,006)	123,413	122,467	48,066	(241,662)	(29,596)	(133,058)	236,476
Total primary government	$ 2,812,769	$ 3,091,865	$ 5,542,430	$ 2,212,705	$ 2,241,389	$ (363,865)	$ (480,989)	$ (612,538)	$ (3,632,324)	$ 1,149,713

Note: After 2006, intergovernmental expense has been allocated to other functions.

MORGAN COUNTY, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Reserved	$ 210,099	$ 246,566	$ 237,122	$ 240,340	$ 478,082	$ 174,675	$ 86,720	$ -	$ -	$ -
Unreserved	2,701,430	3,239,492	4,949,884	5,270,887	4,970,032	5,241,711	6,382,355	-	-	-
Nonspendable	-	-	-	-	-	-	-	147,389	414,127	468,467
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	1,915,412	-
Unassigned	-	-	-	-	-	-	-	6,625,548	3,419,893	3,324,061
Total general fund	$ 2,911,529	$ 3,486,058	$ 5,187,006	$ 5,511,227	$ 5,448,114	$ 5,416,386	$ 6,469,075	$ 6,772,937	$ 5,749,432	$ 3,792,528
All other governmental funds										
Reserved	1,300,000	391,525	3,824,606	2,937,843	19,573,659	11,759,473	568,311	-	-	-
Unreserved, reported in:										
Special Revenue Funds	393,823	459,967	611,276	778,291	1,006,678	1,084,759	477,024	-	-	-
Capital Projects Funds	1,696,865	1,697,418	192,801	93,038	151,785	6,926	-	-	-	-
Unreserved	2,090,688	2,157,385	804,077	871,329	1,158,463	1,091,685	477,024	-	-	-
Nonspendable	-	-	-	-	-	-	-	3,781	1,414	1,414
Restricted	-	-	-	-	-	-	-	1,985,180	1,004,257	863,031
Total all other governmental funds	$ 3,390,688	$ 2,548,910	$ 4,628,683	$ 3,809,172	$ 20,732,122	$ 12,851,158	$ 1,045,335	$ 1,988,961	$ 1,005,671	$ 864,445

Note: In 2011, the County implemented GASB 54.

MORGAN COUNTY, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES										
Taxes (see table 5)	$ 10,919,795	$ 12,612,054	$ 14,589,486	$ 14,948,577	$ 15,671,614	$ 14,824,505	$ 14,946,628	$ 14,642,085	$ 14,018,206	$ 13,184,851
Licenses and permits	281,667	346,057	350,273	281,189	185,857	106,293	79,545	113,417	136,096	154,719
Intergovernmental	893,887	946,497	918,447	1,198,059	1,256,711	988,058	820,662	1,322,356	1,066,464	1,160,152
Fines and forfeitures	693,608	971,988	956,255	991,313	929,737	937,734	1,016,568	806,806	502,570	610,990
Charges for services	1,072,241	1,068,454	1,251,210	1,324,183	1,449,018	1,393,637	1,540,489	1,606,705	1,701,018	1,533,935
Contributions and donations	60,139	44,901	72,403	117,835	62,493	61,615	47,836	63,916	48,166	84,131
Investment income	65,510	56,284	219,374	435,174	615,434	261,419	92,483	30,698	7,965	3,852
Miscellaneous	171,024	200,553	190,270	98,457	179,700	38,473	37,758	147,639	17,090	4,215
Total revenues	14,157,871	16,246,788	18,547,718	19,394,787	20,350,564	18,611,734	18,581,969	18,733,622	17,497,575	16,736,845
EXPENDITURES										
General government	1,526,380	1,749,118	1,880,958	2,167,012	2,458,476	2,709,580	2,985,625	2,961,023	3,192,082	2,901,460
Judicial	908,245	914,538	947,600	990,846	1,101,157	1,160,088	1,187,120	1,152,745	1,183,351	1,162,272
Public safety	3,286,966	3,606,815	4,015,281	4,182,382	4,519,721	4,723,188	4,810,568	5,416,228	5,442,968	5,480,230
Public works	1,980,225	2,157,914	1,735,893	1,987,833	1,849,568	2,571,885	2,555,869	1,680,246	2,679,977	2,464,650
Health and welfare	1,605,470	1,644,649	1,675,515	1,692,187	1,742,113	1,791,126	1,616,343	1,603,067	1,347,178	1,452,778
Recreation and culture	569,539	730,900	698,983	771,673	796,297	889,943	1,185,626	931,105	1,585,169	1,021,991
Housing and development	431,335	630,731	664,207	751,833	847,346	725,381	626,148	526,943	533,929	501,665
Intergovernmental	183,661	142,012	165,561	198,978	300,223	264,766	272,291	277,264	285,546	339,315
Capital Outlay	4,593,280	3,391,537	1,504,040	5,597,617	6,847,486	8,869,174	11,664,706	456,345	794,267	545,930
Principal on long-term debt	1,590,743	1,467,301	1,462,489	1,576,870	1,915,897	1,104,840	1,144,811	1,219,303	1,326,857	1,412,887
Interest on long-term debt	243,250	199,383	180,184	163,518	681,468	948,678	906,033	835,867	796,810	723,119
Issuance costs on long-term debt	-	-	-	-	302,674	-	-	-	-	-
Total expenditures	16,919,094	16,634,898	14,930,711	20,080,749	23,362,426	25,758,649	28,955,140	17,060,136	19,168,134	18,006,297
Excess of revenues over (under) expenditures	(2,761,223)	(388,110)	3,617,007	(685,962)	(3,011,862)	(7,146,915)	(10,373,171)	1,673,486	(1,670,559)	(1,269,452)
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	18,901	17,945	38,535	26,663	729,307	112,708	45,037	5,065	36,978	17,209
Debt premiums and discounts	-	-	-	-	1,015,109	-	-	-	-	-
Proceeds from borrowing	250,000	250,000	700,000	1,000,000	19,067,311	-	-	199,110	129,721	-
Transfers in	2,743,990	1,585,848	979,105	1,028,181	2,552,257	869,586	542,600	270,304	266,703	393,196
Transfers out	(2,865,131)	(1,732,932)	(1,553,926)	(1,864,172)	(3,492,285)	(1,748,071)	(967,600)	(900,479)	(766,932)	(1,241,788)
Total other financing sources (uses)	147,760	120,861	163,714	190,672	19,871,699	(765,777)	(379,963)	(426,000)	(333,530)	(831,383)
Net change in fund balances	$ (2,613,463)	$ (267,249)	$ 3,780,721	$ (495,290)	$ 16,859,837	$ (7,912,692)	$ (10,753,134)	$ 1,247,486	$ (2,004,089)	$ (2,100,835)
Debt service as a percentage of noncapital expenditures	14.88%	12.59%	12.23%	12.02%	15.73%	12.16%	11.86%	12.38%	11.56%	12.23%

Housing and development was not segregated as a function in 2002

MORGAN COUNTY, GEORGIA
GENERAL FUND HISTORY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Last Five Fiscal Years

	2009	2010	2011	2012	2013
REVENUES					
Taxes	$ 11,431,646	$ 11,465,747	$ 11,101,086	$ 10,366,209	$ 9,661,703
Licenses and permits	105,793	101,929	113,417	136,096	154,719
Intergovernmental	359,709	390,345	1,204,622	882,093	559,084
Fines and forfeitures	639,598	771,061	601,126	365,491	505,680
Charges for services	841,316	1,207,090	1,305,732	1,412,371	1,239,204
Contributions and Donations	90	35,810	50,608	37,085	73,965
Investment income	91,535	78,097	27,198	6,045	2,166
Miscellaneous	15,393	35,202	147,639	16,462	4,215
TOTAL REVENUES	13,485,080	14,085,281	14,551,428	13,221,852	12,200,736
EXPENDITURES					
Current					
General government	2,676,798	2,985,485	2,961,023	3,192,082	2,901,460
Judicial	1,109,135	1,136,456	1,116,449	1,158,985	1,138,962
Public safety	3,970,104	4,175,227	4,706,529	4,740,545	4,661,526
Public works	1,437,395	1,410,296	1,434,579	1,435,250	1,405,049
Health and welfare	1,318,927	1,613,427	1,602,250	1,347,178	1,452,778
Recreation and culture	573,514	885,626	931,105	985,169	1,021,991
Housing and development	692,717	605,095	504,503	507,487	476,473
Capital Outlay	80,612	80,089	90,491	250,572	49,180
Debt Service					
Principal	139,840	139,811	162,593	205,471	234,540
Interest	71,438	64,270	30,890	28,058	13,078
TOTAL EXPENDITURES	12,070,480	13,095,782	13,540,412	13,850,797	13,355,037
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,414,600	989,499	1,011,016	(628,945)	(1,154,301)
OTHER FINANCING SOURCES (USES)					
Proceeds from borrowings	-	-	-	129,721	-
Proceeds from sale of fixed assets	46,908	25,284	5,065	36,978	560
Transfers in	101,613	462,906	94,130	78,853	97,716
Transfers out	(1,594,849)	(425,000)	(806,349)	(640,112)	(900,879)
TOTAL OTHER FINANCING SOURCES (USES)	(1,446,328)	63,190	(707,154)	(394,560)	(802,603)
EXCESS OF REVENUES AND OTHER FINANCING OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(31,728)	1,052,689	303,862	(1,023,505)	(1,956,904)
FUND BALANCES, JANUARY 1	5,448,114	5,416,386	6,469,075	6,772,937	5,749,432
FUND BALANCES, DECEMBER 31	$ 5,416,386	$ 6,469,075	$ 6,772,937	$ 5,749,432	$ 3,792,528

The accompanying notes are an integral part of this statement.
Source: Audited Financial Statements of Morgan County

MORGAN COUNTY, GEORGIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Sales Taxes	Insurance Premium Tax	Real Estate & Recording Taxes	Other Taxes	Total
2004	$ 6,119,749	$ 4,127,396	$ 403,595	$ 229,384	$ 133,462	$ 11,013,587
2005	6,688,847	4,998,280	436,698	217,697	184,186	12,525,708
2006	7,442,866	6,303,494	466,340	289,000	163,146	14,664,846
2007	7,692,493	6,359,917	488,710	261,507	167,705	14,970,332
2008	8,329,546	6,569,439	513,885	213,685	152,497	15,779,052
2009	8,263,593	5,797,590	526,410	173,461	141,240	14,902,294
2010	8,312,443	5,963,470	518,862	116,810	133,615	15,045,200
2011	7,840,274	6,059,666	504,631	99,292	138,222	14,642,085
2012	6,995,945	6,243,915	525,844	103,839	148,663	14,018,206
2013	$ 6,320,183	$ 6,023,650	$ 561,768	$ 135,389	$ 143,861	$ 13,184,851

MORGAN COUNTY, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Tax Year	Residential Property	Commercial Property	Motor Vehicles	Other (1)	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Value (3)	Assessed Value as a Percentage of Actual Value
2004	2003	$ 658,534,935	$ 149,267,589	$ 48,213,150	$ 6,829,226	$ 206,268,713	$ 656,576,187	9.490	$ 1,641,440,468	40.00%
2005	2004	670,445,561	145,267,117	48,479,760	4,276,804	225,031,597	643,437,645	10.700	1,608,594,113	40.00%
2006	2005	697,170,204	166,301,715	48,073,660	5,530,399	234,666,879	682,409,099	10.700	1,706,022,748	40.00%
2007	2006	722,375,585	185,820,008	47,142,720	6,518,751	241,193,898	720,663,166	10.700	1,801,657,915	40.00%
2008	2007	1,088,822,025	233,779,171	53,109,520	9,906,196	391,998,538	993,618,374	8.430	2,484,045,935	40.00%
2009	2008	1,109,310,928	236,448,698	55,981,010	7,957,615	402,640,730	1,007,057,521	8.350	2,517,643,803	40.00%
2010	2009	1,129,607,268	236,562,590	58,619,790	7,129,457	413,943,966	1,017,975,139	8.178	2,544,937,848	40.00%
2011	2010	939,418,951	219,530,036	50,661,300	5,384,390	336,780,704	878,213,973	8.400	2,195,534,933	40.00%
2012	2011	781,791,642	198,566,312	50,002,820	4,390,375	284,751,666	749,999,483	8.990	1,874,998,708	40.00%
2013	2012	$ 577,600,884	$ 178,276,620	$ 52,552,070	$ 3,212,496	$ 168,279,426	$ 643,362,644	8.990	$ 1,608,406,610	40.00%

Source: Georgia Department of Revenue

(1) Includes Mobile homes, aircraft, boats, miscellaneous personal property, timber and heavy equipment.

(2) This is the rate applicable to the unincorporated portion of the county.

(3) Property that is exempt from taxation has not been included. That is typically property owned by governments and not-for-profit organizations like churches.

MORGAN COUNTY, GEORGIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES - MILLS
LAST TEN FISCAL YEARS
(Mills - rate per $1,000 of taxable assessed value)

Tax Year / *Fiscal Year*	*2003* / *2004*	*2004* / *2005*	*2005* / *2006*	*2006* / *2007*	*2007* / *2008*	*2008* / *2009*	*2009* / *2010*	*2010* / *2011*	*2011* / *2012*	*2012* / *2013*
County - Incorporated	9.490	10.700	10.700	10.700	8.430	8.350	8.178	8.400	8.990	8.990
County - Unincorporated **(1)**	9.490	10.700	10.700	10.700	8.430	8.350	8.178	8.400	8.990	8.990
School Operations	15.500	15.442	16.000	15.985	12.735	12.724	12.461	13.743	15.545	17.701
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.200
Total Incorporated	25.240	26.392	26.950	26.935	21.415	21.324	20.889	22.393	24.785	26.891
Total Unincorporated	25.240	26.392	26.950	26.935	21.415	21.324	20.889	22.393	24.785	26.891
Municipalities										
Bostwick	0.970	0.970	0.970	0.970	0.970	0.970	0.970	1.123	1.235	1.422
Buckhead	2.930	2.960	2.960	2.960	2.245	2.245	2.105	2.000	2.860	3.314
Madison	3.660	3.900	3.738	3.995	3.312	3.583	3.577	4.794	5.446	6.351
Madison Commercial Business Light	-	1.150	1.150	1.150	0.809	0.804	0.881	0.962	1.141	1.322
Madison Interstate Light	-	1.150	1.150	1.150	0.809	0.804	0.790	0.843	0.953	1.314
Rutledge	5.190	5.190	5.000	5.000	3.779	3.779	3.734	3.734	3.734	3.734

Source: Georgia Department of Revenue

Overlapping rates are those of local and county governments that apply to property owners within the County. Not all overlapping rates apply to all County property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district. The districts that are within the city limits of municipalities that do not levy a city tax are considered with the unincorporated areas in computing the maximum rates.

(1) For purposes of this schedule, the County unincorporated rate is considered the total direct rate.

Maximum rates:										
Total Incorporated	30.430	31.582	31.950	31.935	25.194	25.103	24.623	27.187	30.231	33.242
Total Unincorporated	25.240	26.392	26.950	26.935	21.415	21.324	20.889	22.393	24.785	26.891

MORGAN COUNTY, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(amounts expressed in thousands)

	Tax Year 2012			Tax Year 2003		
Taxpayer	**Taxable Assessed Value[1]**	**Rank[2]**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value[1]**	**Rank[2]**	**Percentage of Total Taxable Assessed Value**
Georgia Power Co	$ 8,738,069	1	1.08%	$ 5,180,237	6	0.60%
Georgia Transmission Corp	7,667,104	2	0.94%	-		0.00%
Georgia-Pacific Wood Products LLC	8,337,406	3	1.03%	5,717,486	5	0.66%
Pennington Seed, Inc.	8,535,296	4	1.05%	6,327,250	4	0.96%
Lowes Home Centers Inc	4,235,802	5	0.52%	-		0.00%
C R Bard Inc	3,796,714	6	0.47%	-		0.00%
Amtico International, Inc.	4,762,562	7	0.59%	6,425,036	3	0.74%
Anthony Specialty Glass LLC	3,974,290	8	0.49%	-		0.00%
Walton Emc	2,959,665	9	0.36%	-		0.00%
Walmart (Zorn, Eric Trustee of)	2,725,280	10	0.34%	-		0.00%
Weyerhaeuser Company	-		0.00%	7,311,542	1	0.85%
Weyerhaeuser Real Estate	-		0.00%	6,743,552	2	0.78%
Wellington-Puritan Mills	-		0.00%	5,039,016	7	0.58%
Denon Digital Ind	-		0.00%	4,471,864	8	0.52%
Willms, Arthur	-		0.00%	4,455,170	9	0.52%
Plum Creek Timberlands LP	-		0.00%	4,357,517	10	0.51%
Totals	$ 55,732,188		6.87%	$ 56,028,670		6.49%

Source: Morgan County Tax Commissioner

1. Amounts expressed in thousands.
2. Rank is based on the amount of County maintenance & operations taxes billed since exemptions that reduce the assessed value can vary by entity.

MORGAN COUNTY, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Tax Years
(amounts expressed in thousands)

Tax Year	Tax Due Date	Taxes Levied for the Tax Year (Original Levy)	Adjustments	Interest, Costs, & Penalties	Total Adjusted Levy	Collected within Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date		Uncollected Balance
						Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy	
2004	12/20/2004	$ 6,485	$ 104	$ 171	$ 6,760	$ 6,370	98.23%	$ 389	$ 6,759	99.99%	$ 1
2005	12/20/2005	6,905	86	167	7,158	6,839	99.04%	316	7,155	99.96%	3
2006	12/20/2006	7,364	4	173	7,541	7,207	97.87%	331	7,538	99.96%	3
2007	12/20/2007	8,157	15	294	8,466	7,904	96.90%	558	8,462	99.95%	4
2008	12/20/2008	8,186	(23)	300	8,463	7,860	96.02%	599	8,459	99.95%	4
2009	12/20/2009	8,179	(30)	318	8,467	7,747	94.72%	711	8,458	99.89%	9
2010	12/20/2010	7,364	11	267	7,642	7,158	97.20%	471	7,629	99.83%	13
2011	12/20/2011	6,678	70	201	6,949	6,518	97.60%	375	6,893	99.19%	56
2012	12/20/2012	5,752	40	80	5,872	5,704	99.17%	18	5,722	97.45%	150
2013	12/20/2013	$ 497	$ 1	$ 29	$ 527	$ 521	104.83%	$ -	$ 521	98.86%	$ 6

Source: Morgan County Tax Commissioner's Office.

Schedule includes amounts for County maintenance and operations.
Taxes levied include real and personal property, motor vehicle, mobile home, timber, and heavy equipment taxes.

(1) Since real and personal property taxes are levied in the fall after the June 30 year end, those taxes are included in the next fiscal year.
For example the 2011 property taxes due December 20, 2012 are reported as revenues in the fiscal year ended June 30, 2013.
Motor vehicle taxes are reported in the fiscal year that they are collected.

(2) Since mobile home taxes are levied in April, they are recorded in the fiscal year that they are levied.
For example the 2013 mobile home taxes are recorded in the year ended June 30, 2013. Likewise for timber and heavy equipment taxes.

MORGAN COUNTY, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities					
Fiscal Year	Capital Leases	Notes Payable	Contracts Payable (2)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2004	$ 4,119,606	$ -	$ 1,215,000	$ 5,334,606	1.03%	$ 316
2005	2,947,305	-	1,170,000	4,117,305	0.76%	238
2006	2,229,816	-	1,125,000	3,354,816	0.59%	189
2007	789,811	-	1,988,135	2,777,946	0.45%	153
2008	419,423	-	20,453,746	20,873,169	3.04%	1,122
2009	342,878	-	19,312,986	19,655,864	3.04%	1,048
2010	266,518	-	18,137,015	18,403,533	2.97%	1,030
2011	354,940	-	16,926,032	17,280,972	2.68%	962
2012	218,469	88,121	15,680,233	15,986,823	2.43%	894
2013	$ 112,668	$ -	$ 14,371,204	$ 14,483,872	2.27%	$ 810

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on Table 15 for personal income and population data.

(2) Debt includes premiums, discounts, and amounts deferred on refunding.

In 2008, the County entered into a $19,000,000 contract to finance the renovations to the county jail and build an aquatic center.

MORGAN COUNTY, GEORGIA
OTHER LONG-TERM LIABILITIES
Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities					
Fiscal Year	Compensated Absences	Net Pension Obligation	Total	Landfill Closure/ Post-closure	Compensated Absences	Total	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2004	$ 168,558	$ -	$ 168,558	$ 396,972	$ -	$ 396,972	$ 565,530	0.11%	$ 33
2005	184,833	-	184,833	384,995	-	384,995	569,828	0.11%	$ 33
2006	196,184	-	196,184	372,234	-	372,234	568,418	0.10%	$ 32
2007	196,252	-	196,252	358,509	13,210	371,719	567,971	0.09%	$ 31
2008	192,242	-	192,242	361,657	33,923	395,580	587,822	0.09%	$ 32
2009	258,459	-	258,459	362,196	12,001	374,197	632,656	0.10%	$ 34
2010	268,086	-	268,086	329,227	12,960	342,187	610,273	0.10%	$ 34
2011	269,936	91,548	361,484	368,920	14,890	383,810	745,294	0.12%	$ 41
2012	257,372	91,052	257,372	364,215	18,290	382,505	639,877	0.10%	$ 36
2013	$ 271,431	$ 90,988	$ 362,419	$ 340,440	$ 16,671	$ 357,111	$ 719,530	0.11%	$ 40

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(1) See the Schedule of Demographic and Economic Statistics on Table 15 for personal income and population data.
Prior to 2011, the Net Pension Obligation was an asset so the balance is not show in this table.

MORGAN COUNTY, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENT ACTIVITIES DEBT
GENERAL OBLIGATION DEBT
June 30, 2013

Jurisdiction	*Debt Outstanding*	*Percentage Applicable to Government*	*Amount Applicable to Government*
Direct Obligations			
Intergovernmental Contracts Obligation			
Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County Bonds	705,000	100.00%	705,000
Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County Bonds	46,827	100.00%	46,827
Morgan County Building Authority	13,619,377	100.00%	13,619,377
Total Intergovernmental Contracts Obligation	14,371,204		14,371,204
Capital Leases			
Capital Leases - Other	112,668	100.00%	112,668
Total Capital Leases	112,668		112,668
Total Direct obligations	14,483,872		14,483,872
Overlapping General Obligation Debt:			
Morgan County School System - Installment Sales Agreement	181,063	100.00%	181,063
City of Madison - Capital lease obligations	1,175,784	100.00%	1,175,784
City of Rutledge GEFA loans	436,676	100.00%	436,676
City of Buckhead - GEFA loans	51,482	100.00%	51,482
City of Bostwick - no overlapping debt	-	100.00%	-
Total Overlapping General Obligation Debt	1,845,005		1,845,005
Total	$ 16,328,877		$ 16,328,877

Sources: Assessed value data used to estimate applicable percentages provided by the State Department of Revenue. Debt outstanding provided by the County & each local government. See Table 10.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the county. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the overlapping government's boundaries and dividing it by the overlapping government's total taxable assessed value.

MORGAN COUNTY, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENT ACTIVITIES DEBT
GENERAL OBLIGATION DEBT
June 30, 2013

Debt and Assessed Value per Capita[1]

	Per Capita	Debt Amount
Direct General Obligation (G.O.) debt per capita	$ -	-
Direct and Contractual G.O. debt per capita	$ 804	$ 14,371,204
Direct debt, Contractual Debt, Notes, and Leases per capita	$ 810	$ 14,483,872
Direct and Contractual Debt, Notes, Leases, and Overlapping Debt per capita	$ 913	$ 16,328,877
Fair Market Value of Taxable Property per capita	$ 113,472	
Grossed Assessed value of property before exemptions	$ 811,642,070	
Net Tax digest for Maintenance and operations	$ 643,362,644	
Estimated Fair Market Value of Taxable Property	$ 2,029,105,175	
Population, estimated 2013	17,882	

1 Based on estimated population for the County as shown above.

2 Contractual debt represents long term Intergovernmental Contract obligations of Morgan County.

3 Includes all G.O. Debt, contract obligations, leases and short-term notes secured by ad valorem taxes and general revenues of Morgan County.

4 Includes all G.O. Debt, contract obligations, leases and short-term notes secured by ad valorem taxes and general revenues of Morgan County and overlapping direct general obligation debt.

5 Based on 2012 gross assessed valuation before exemptions and estimated fair market value of taxable property in the County shown above.

MORGAN COUNTY, GEORGIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed value of property	$ 862,844,900	$ 868,469,242	$ 917,075,978	$ 961,857,064	$ 1,385,616,912	$ 1,409,698,251	$ 1,431,919,105	$ 1,214,994,677	$ 1,034,751,149	$ 811,642,070
Debt limit (10% of total assessed value)	86,284,490	86,846,924	91,707,598	96,185,706	138,561,691	140,969,825	143,191,911	121,499,468	103,475,115	81,164,207
Amount of Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less: Resources restricted to paying principal	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 86,284,490	$ 86,846,924	$ 91,707,598	$ 96,185,706	$ 138,561,691	$ 140,969,825	$ 143,191,911	$ 121,499,468	$ 103,475,115	$ 81,164,207
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

MORGAN COUNTY, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2004	16,890	$ 516,725,000	$ 30,594	4.2%
2005	17,279	540,884,537	31,303	4.5%
2006	17,774	573,229,274	32,251	4.3%
2007	18,185	620,544,940	34,124	4.4%
2008	18,600	686,470,200	36,907	6.0%
2009	18,761	647,610,959	34,519	9.6%
2010	17,868	620,126,808	34,706	9.9%
2011	17,961	645,985,326	35,966	9.8%
2012	17,881	633,647,006	35,437	8.4%
2013	17,882	$ 637,448,888	$ 35,648	6.9%

Data sources:
(1) US Bureau of the Census; Then projected for 2013
(2) Federal Bureau of Economic Analysis; Then projected for 2012 & 2013
(3) Morgan County Chamber of Commerce

MORGAN COUNTY, GEORGIA
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2013			2004[1]		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Board of Education	475	1	5.33%	-		0.00%
Georgia-Pacific Wood Products LLC	450	2	5.05%	-		0.00%
Wal-Mart	275	3	3.09%	-		0.00%
Pennington Partners LP	200	4	2.24%	-		0.00%
Morgan Memorial Hospital	175	5	1.96%	-		0.00%
Morgan County Government	169	6	1.90%	-		0.00%
Anthony International (Sovis)	150	7	1.68%	-		0.00%
Lowes Home Centers Inc	150	8	1.68%	-		0.00%
Bard Manufacturing	135	9	1.51%	-		0.00%
Flambeau	115	10	1.29%	-		0.00%
All other employers	6,618		74.26%	-		0.00%
Total	8,912		100.00%	0		0.00%

Source: Morgan County Chamber of Commerce

1. Information is not available for 2004.

MORGAN COUNTY, GEORGIA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function	2007	2008	2009	2010	2011	2012	2013
General government	36.5	36.5	39.0	34.0	32.0	30.0	28.0
Judicial	20.0	20.0	20.0	20.0	19.0	17.0	14.0
Public safety	73.0	73.0	73.0	83.5	87.0	70.0	73.0
Public works	42.0	42.0	42.0	33.5	32.0	32.0	30.0
Health and welfare	9.0	9.0	9.0	9.0	11.0	9.0	9.0
Recreation and culture	7.5	7.5	7.5	7.5	10.0	10.0	10.0
Housing and development	9.5	9.5	9.5	9.0	8.0	5.0	5.0
Total	197.5	197.5	200.0	196.5	199.0	173.0	169.0

Source: Morgan County Finance Department - budget and payroll data

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).
Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.
Information for years prior to 2007 is not available.

MORGAN COUNTY, GEORGIA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2007	2008	2009	2010	2011	2012	2013
Sheriff							
Accident reports	298	237	272	208	215	286	183
Criminal incidents	543	490	576	418	474	438	499
Deputies/1,000 population	1	1	1	1	1	1	1
Fire							
Calls	469	352	296	320	151	118	109
Judicial							
Marriage license	138	104	145	100	104	91	132
Pistol permits	102	176	399	217	174	213	478
Highways and streets							
Miles of right-of-way mowed	-	-	2,104	1,559	2171	2749	2213
Miles of shoulder work	-	-	134	148	139	321	265
Sanitation							
Refuse collected (tons/year)	20,805	18,858	19,436	16,638	16,364	14,600	14,928
Recyclables collected (tons/year)	322	365	377	343	263	187	184
Parks and recreation							
Adult athletic participants	-	-	-	6,492	3,749	4,105	3,110
Aquatic center participants	-	-	-	21,880	24,187	23,466	22,714
Youth athletic participants	-	-	-	21,060	18,068	20,970	22,980
Senior Center							
Congregate meals	6,263	6,283	6,739	7,470	6,864	6,739	6,818
Home delivered meals	3,970	4,253	5,247	6,686	8,146	8,716	8,770
Transit							
Average daily trips	-	-	91	96	103	103	93
Protective inspection							
Building permits	254	165	93	66	26	59	252

Sources: Various County departments

Note: Partial information is not available for 2007, 2008, and 2009.

Information for years prior to 2007 is not available.

MORGAN COUNTY, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

	Fiscal Year									
Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Vehicles	6	6	7	7	7	8	8	8	12	12
Public Safety										
Jail cells	67	78	78	78	78	78	192	192	192	192
K-9 units	1	1	1	1	3	3	2	2	2	2
Fire Stations	13	13	13	13	13	13	13	13	12	12
Public works										
Streets (miles)	438	438	438	438	438	438	438	438	438	438
Health and welfare										
Senior service centers	1	1	1	1	1	1	1	1	1	1
Transit buses	4	4	4	4	4	4	4	4	4	5
Parks and recreation										
Acreage total	120	120	120	120	120	120	120	120	154	154
Swimming pools	1	1	-	-	-	1	1	1	1	1
Tennis courts	4	4	12	12	12	12	12	12	12	12
Baseball fields	9	9	9	9	9	9	8	8	8	8
Soccer fields	1	1	1	1	1	1	1	1	1	1
Playgrounds	6	5	7	7	7	7	5	5	7	7
Libraries	1	1	1	1	1	1	1	1	1	1
Sanitation										
Compactor sites	12	12	12	12	12	12	12	13	13	13

Sources: Various county departments

Compliance and Internal Control Reports



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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*

December 30, 2013

Board of Commissioners
Morgan County, Georgia
Madison, Georgia

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of MORGAN COUNTY, GEORGIA, as of and for the year ended June 30, 2013, which collectively comprise the MORGAN COUNTY, GEORGIA's basic financial statements and have issued our report thereon dated December 30, 2013. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report includes a reference to other auditors who audited the financial statements of the Morgan County Health Department and Morgan County Hospital Authority, as described in our report on MORGAN COUNTY, GEORGIA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered MORGAN COUNTY, GEORGIA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MORGAN COUNTY, GEORGIA's internal control. Accordingly, we do not express an opinion on the effectiveness of the MORGAN COUNTY, GEORGIA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether MORGAN COUNTY, GEORGIA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP