Morgan County, Georgia









Comprehensive Annual Financial Report
For the year ended June 30, 2016

COMPREHENSIVE ANNUAL FINANCIAL REPORT

MORGAN COUNTY, GEORGIA

For The Fiscal Year
July 1, 2015 - June 30, 2016

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, 2016

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

December 30, 2016

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, 2016.

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.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Morgan County Government for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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. Recent population estimates (2015) from the U.S. Census Bureau have the County's population at 18,046. 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, the City of Bostwick, and the City of Buckhead. 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 local government services including but not limited to: law enforcement, corrections, road and highway construction, parks and recreation, 911 emergency communications, voter registration and elections, tax assessment and collection, building inspections, planning and zoning, solid waste collection and recycling, etc.

Economic condition and outlook

The County was not immune to the multi-year economic downturn (from 2008 thru 2013 primarily) but continues to maintain a strong financial position. Morgan County's economic condition has shown steady improvement over the last two years. There has been a slight increase in the total assessed value of its taxable property, resulting in slightly higher revenue from its tax levy. Although many economic factors are largely outside of local government control, the Board of Commissioners, County Manager and department heads have displayed impressive financial stewardship over the years. The recession 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 has continued beyond the fiscal crisis.

Long-term financial planning

The County continues to focus on maintaining existing infrastructure, retaining and attracting business while managing fiscal resources responsibly so that all citizens can maintain the quality of life enjoyed here in Morgan County. Financing these goals is a great concern for the County especially since we saw a thirty-nine percent decrease in property values from the highest level in calendar year 2009 to the lowest level in 2013. During this period the County used $4.1 million in reserves to help offset the decrease in income generated from property taxes.

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 FY2016, 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,

Lori Sayer

Lori Sayer, CPA
Finance Director

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, 2015



Executive Director/CEO



Board of Commissioners

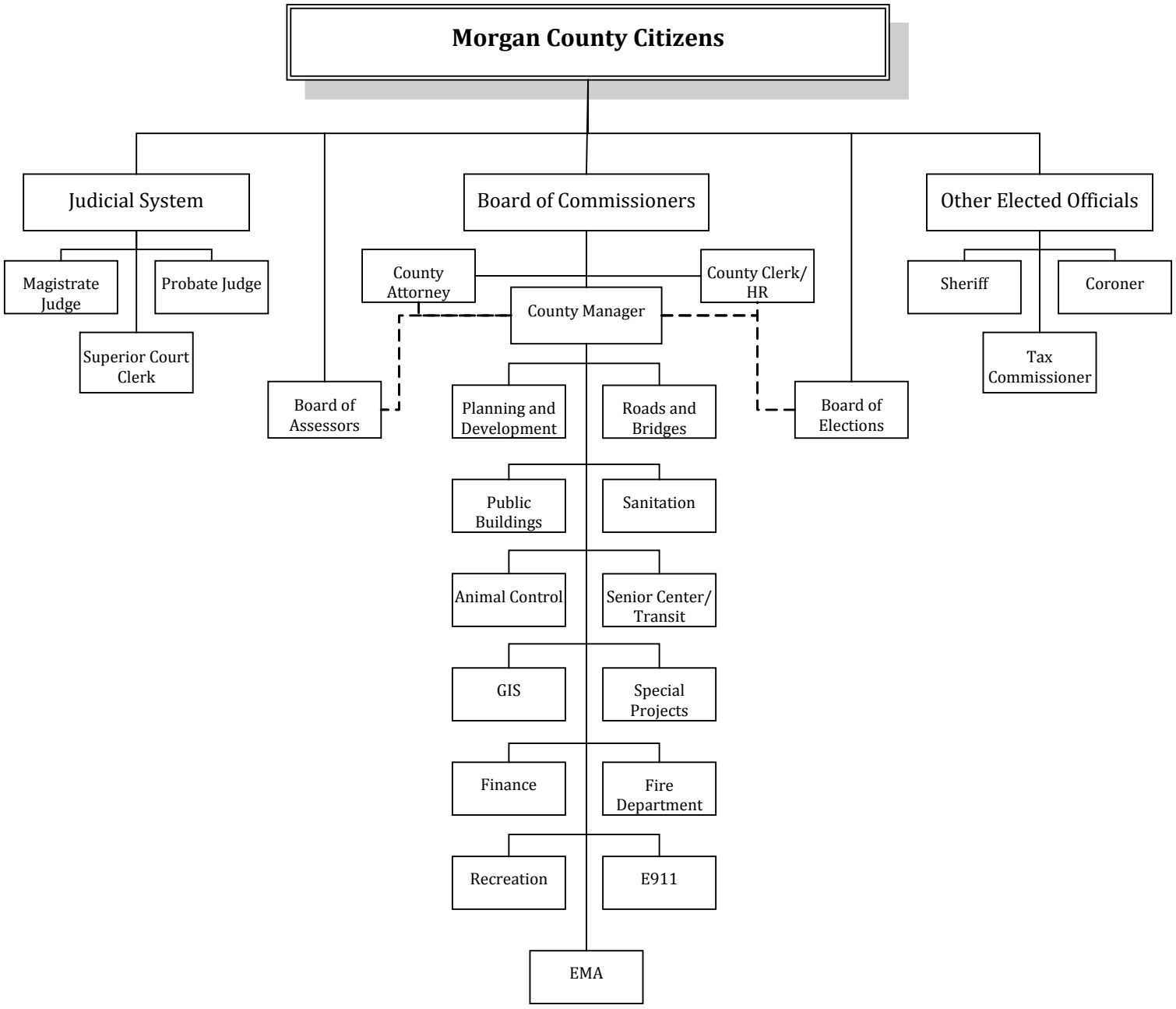
Commissioner District 1 Donald B. Harris, Chairman
Commissioner District 2 Andy Ainslie
Commissioner District 3 Philip Clack
Commissioner District 4 Ellen Warren, Vice Chair
Commissioner District 5 Ron Milton

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

Morgan County Organizational Chart



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Exceeding expectations. Always.

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GAINESVILLE, GEORGIA 30503
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INDEPENDENT AUDITORS' REPORT
December 30, 2016

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, 2016, and the related notes to the financial statements, which collectively comprise the County'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.

Auditors' 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 the Morgan County Hospital Authority, component units of the County, as of and for the year then ended June 30, 2016, which statements reflect total assets of $618,878 and $6,608,000, as of June 30, 2016, and total revenues of $651,752 and $15,615,000, 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 the 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, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the Net Pension Liability - ACCG Morgan County Defined Benefit Plan, the Schedule of Contributions - ACCG Morgan County Defined Benefit Plan, the Schedule of Notes to Required Supplementary Information - ACCG Morgan County Defined Benefit Plan, and the 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 introductory section, combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, 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 48-8-121, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 48-8-121 are the responsibility of management and were derived from and relate 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, based on our audit, the procedures performed as described above, and the report of the other auditors, 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 48-8-121 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section 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, 2016, 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.

Bates, 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, 2016. 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, 2016.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2016 by $55,337,784 (Net Position). Of this amount, $612,831 is considered unrestricted and can be used to meet the County's ongoing obligations.

- The County's total net position decreased by $(2,009,131) (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 and operations from a non-major Sewer Fund.

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 and SPLOST, both 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 52 and 53 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 two proprietary funds. Enterprise (proprietary) funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for Solid Waste and Sewer operations.

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 14-46 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 47-49 and a schedule of budgetary comparisons for the general fund on pages 50 and 51. Combining and individual fund statements and schedules can be found on pages 52-60 of this report, and Schedules of Projects Constructed with Special Purpose Local Option Sales Tax can be found on page 61-62.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

During fiscal year 2016, Morgan County, on an entity-wide basis, net position decreased $(2,009,131). Governmental activities decreased $(1,996,541) which is primarily attributed to an increase of $1.3 million in net pension obligation. The decrease in net position for business type activities of $(12,590) was due to start-up cost in the new Sewer Fund.

The County had total Net Position of $55,337,784, of which $54,454,417, net of debt and accumulated depreciation, was invested in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure). The Government uses these capital assets to provide services to the citizens, consequently, these assets are not available for future spending. The table below shows the split of net position between governmental and business-type activities.

Morgan County, Georgia's Net Position
For the Year Ended June 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Capital assets (net of depreciation)	$ 63,642,359	$ 66,371,829	$ 472,887	$ 523,449	$ 64,115,246	$ 66,895,278
Current and other assets	6,536,321	6,077,328	1,378	(80,192)	6,537,699	5,997,136
Total Assets	70,178,680	72,449,157	474,265	443,257	70,652,945	72,892,414
Total deferred outflows of resources	412,577	386,231	-	-	412,577	386,231
Long-term liabilities	14,171,939	14,635,543	319,653	327,010	14,491,592	14,962,553
Other liabilities	1,120,650	904,636	115,496	64,540	1,236,146	969,176
Total liabilities	15,292,589	15,540,179	435,149	391,550	15,727,738	15,931,729
Total deferred inflows of resources	-	-	-	-	-	-
Net Position:						
Net investment in capital assets	53,981,530	55,259,288	472,887	523,449	54,454,417	55,782,737
Restricted	270,536	648,149	-	-	270,536	648,149
Unrestricted	1,046,602	1,387,772	(433,771)	(471,742)	612,831	916,030
Total net position	$ 55,298,668	$ 57,295,209	$ 39,116	$ 51,707	$ 55,337,784	$ 57,346,916

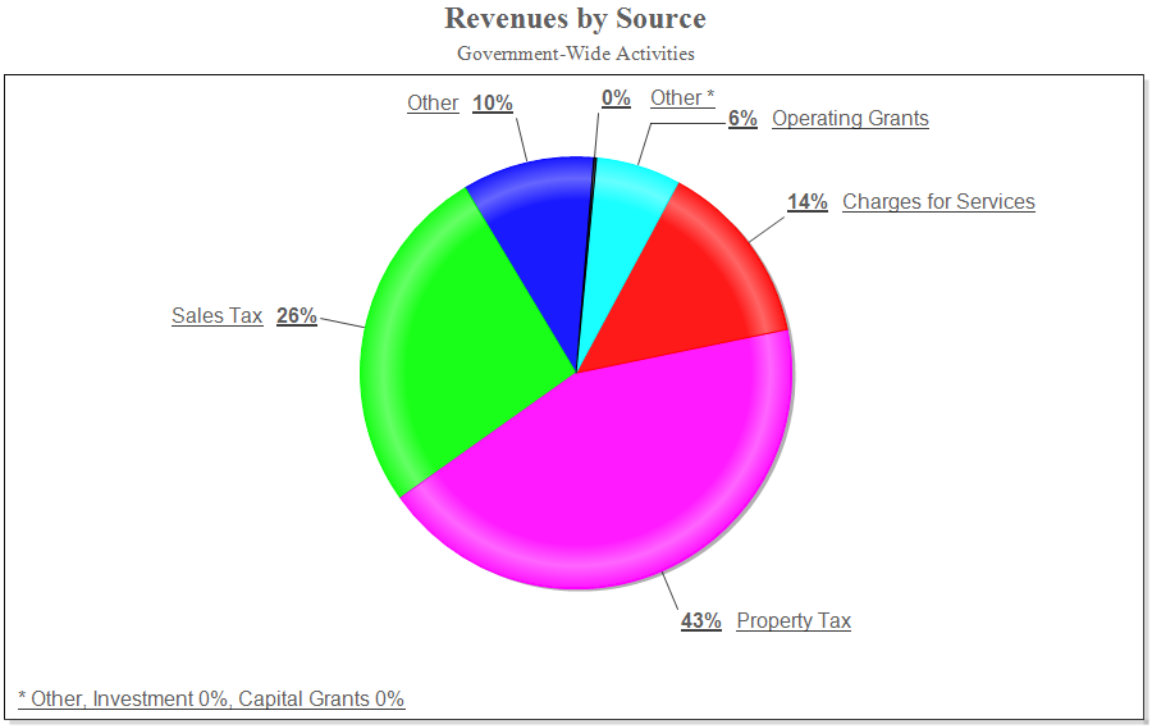
Total government-wide revenue for fiscal year 2016 was $22,328,098. Of this amount, $21,754,317 was in governmental activities and $573,781 in business-type activities. The chart below shows the distribution of total primary government revenues.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program revenues						
Charges for Services	$ 2,534,412	$ 2,612,833	$ 573,781	$ 324,824	$ 3,108,193	$ 2,937,657
Operating Grants and Contributions	1,416,513	1,213,799	-	-	1,416,513	1,213,799
Capital Grants and Contributions	36,946	23,153	-	-	36,946	23,153
Subtotal for Program Revenues	3,987,871	3,849,785	573,781	324,824	4,561,652	4,174,609
General revenues						
Property Taxes	9,665,734	7,592,950	-	-	9,665,734	7,592,950
Sales Taxes	5,866,917	5,979,548	-	-	5,866,917	5,979,548
Other Taxes	1,022,579	931,213	-	-	1,022,579	931,213
Unrestricted Investment Earnings	2,776	2,147	-	-	2,776	2,147
Grants and Contributions not restricted to a specific program	771,861	603,183	-	-	771,861	603,183
Gain on sale of capital assets	436,579	150,186	-	22,791	436,579	172,977
Subtotal for General Revenues	17,766,446	15,259,227	-	22,791	17,766,446	15,282,018
Total Revenues	21,754,317	19,109,012	573,781	347,615	22,328,098	19,456,627
EXPENSES						
Program expenses						
General Government	3,834,066	5,854,310	-	-	3,834,066	5,854,310
Judicial	1,375,689	1,229,224	-	-	1,375,689	1,229,224
Public Safety	7,650,554	6,934,339	-	-	7,650,554	6,934,339
Public Works	5,087,333	4,568,580	-	-	5,087,333	4,568,580
Health & Welfare	1,907,219	1,446,488	-	-	1,907,219	1,446,488
Recreation & Culture	2,003,869	1,326,196	-	-	2,003,869	1,326,196
Housing and Development	670,970	524,039	-	-	670,970	524,039
Interest and Paying Agent Fees	568,892	642,873	-	-	568,892	1,211,765
Sewer	-	-	80,504	-	80,504	-
Solid Waste	-	-	1,158,133	930,385	1,158,133	930,385
Total expenses	23,098,592	22,526,049	1,238,637	930,385	24,337,229	23,456,434

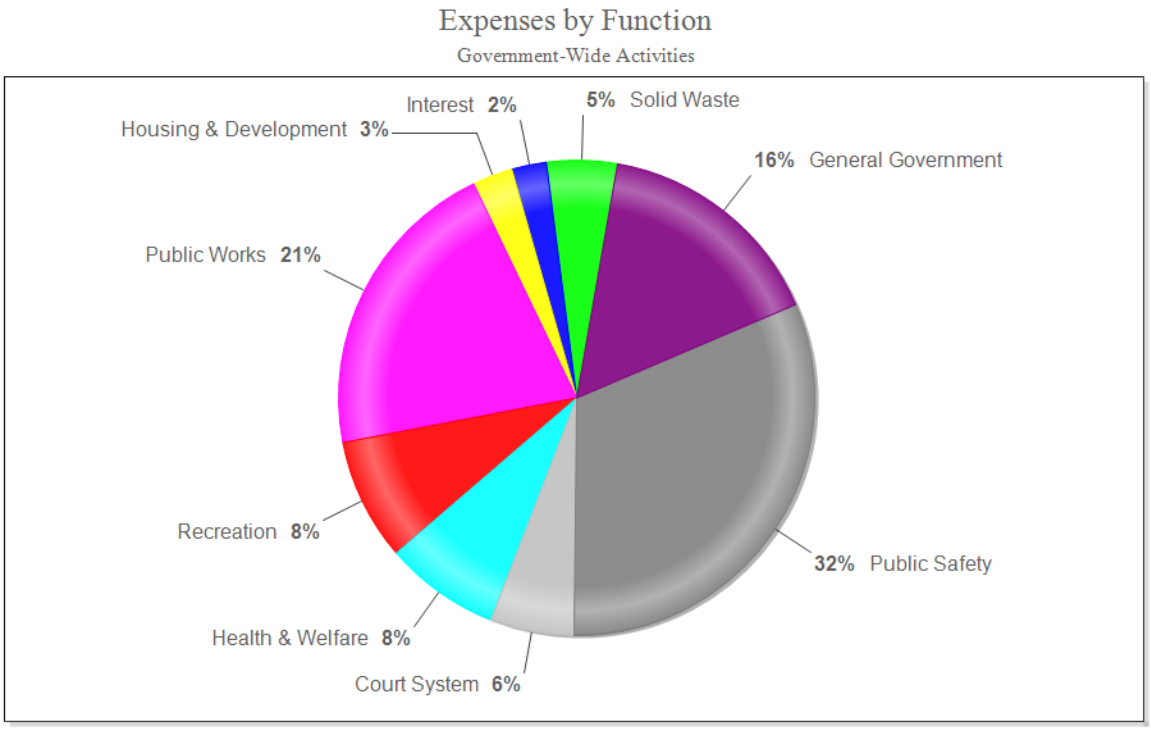
Change in Net Position before Transfers	(1,344,275)	(3,417,037)	(664,856)	(582,770)	(2,009,131)	(3,999,807)
Transfers	(652,266)	(493,990)	652,266	493,990	-	-
Change in Net Position	(1,996,541)	(3,911,027)	(12,590)	(88,780)	(2,009,131)	(3,999,807)
Net Position, beginning of year	57,295,209	58,203,731	51,706	140,487	57,346,915	58,344,218
Change in Accounting Principle	-	3,002,505	-	-	-	3,002,505
Net Position, beginning as restated	57,295,209	61,206,236	51,706	140,487	57,346,915	61,346,723
Net Position, end of year	$ 55,298,668	$ 57,295,209	$ 39,116	$ 51,707	$ 55,337,784	$ 57,346,916

General Revenues such as Property Taxes and Local Option Sales Tax supplement the Governmental Activities. General Government required $2,126,311, Judicial required $663,479, Public Safety required $7,088,604, Public Works required $5,087,333, Health and Welfare required $1,521,729, Recreation required $1,663,518, and Housing and Development required $390,855 of General Revenues.



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

Government-wide expenses were $24,337,229 for 2016, of which $23,098,592 were for governmental activities and $1,238,637 for business-type activities. The chart below shows further detail of total primary government expenses.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

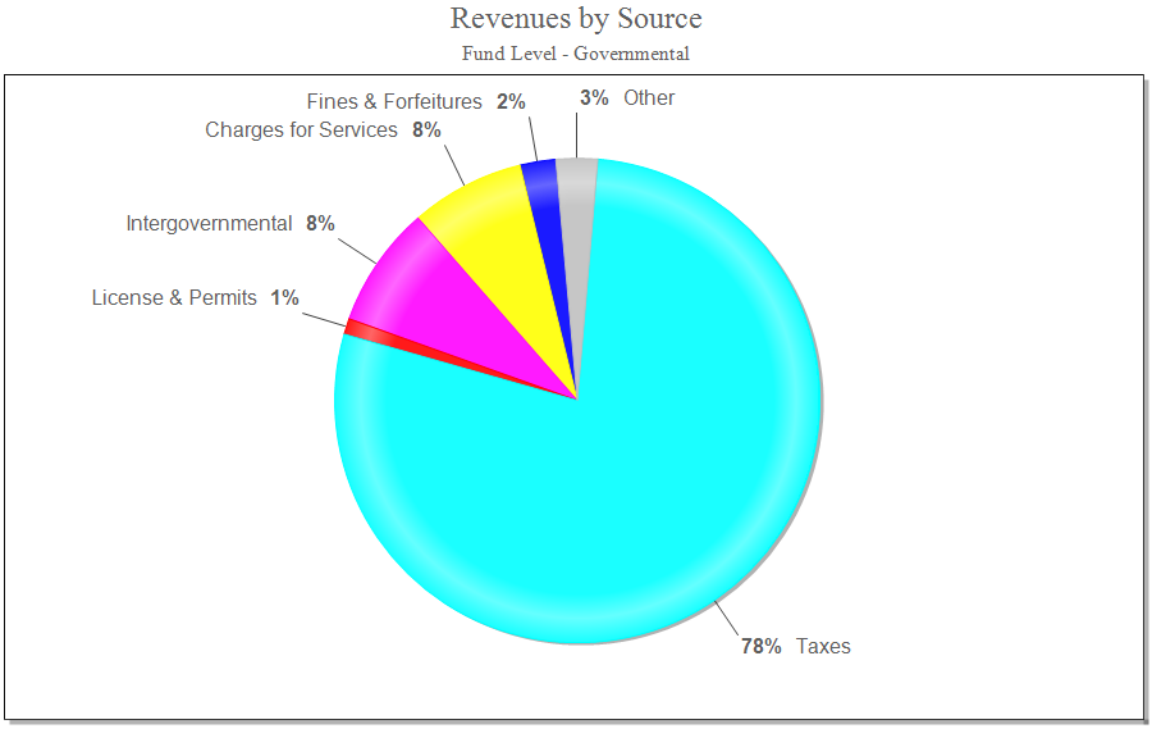
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 $2,606,921, which is $141,912 more than last year's total. The decrease in the SPLOST fund balance was $(460,230), which was due to the purchase of land for a Parks and Recreation complex as well as other projects which will be funded by SPLOST proceeds collected in future years. The fund balance in the General Fund decreased by $605,824. There was a savings from positions funded but not filled and additional revenues from the sale of property to the City of Madison.

In 2016, Governmental revenues increased $2,349,929 from fiscal year 2015. Property taxes increased $2,073,934, which was due to an increase in the digest.

The total amount of sales tax revenue for fiscal year 2016 was $5,866,917, which is a (1.9)% decrease from fiscal year 2015. The Transportation Funding Act of 2015 changed the way fuel was taxed which caused a decrease in sales tax collected. Morgan County currently shares two different taxes on all sales within the county.



Expenditures in the governmental funds totaled $20,979,518, which is an increase of $2,977,914 from fiscal year 2015. Expenditures for the General Fund of $15,337,562, increased $1,576,162. The increase from the previous year was due to four new positions, 2.5% cost of living increase for all employees, and an increase in benefits for employees. The General fund transferred $629,550, $22,716, and $361,380 to Solid Waste, Sewer, and E911 funds, respectively, to subsidize operations this year. The County expenditures in SPLOST funds of $4,745,703, increased $1,351,488 from the prior year due to more road resurfacing and a private/public partnership to build a new farmer's market in Morgan County. The cost for materials was offset by a contribution from the private party.

In fiscal year 2016, the governmental funds of the Government reported a combined fund balance of 2,606,921. This was an increase compared to prior year fund balance of 2,465,009.

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

In fiscal year 2016, business-type activities reported a loss of $(12,590). Solid Waste Fund had a slight increase in net position from 51,706 to 57,369. The Solid Waste Fund on its own does not generate sufficient revenues to fund operations; it relies on a subsidy from the General Fund. The General Fund increased the transfer in from $493,990 in 2015, to $652,266 in 2016 due to an increase in waste disposal fees related to additional tonnage in the waste stream. The cost to recycle increased in fiscal year 2016 which in turn created additional tonnage.

A non-major Sewer Fund was added in fiscal year 2016 which had a loss of (18,253) due to the start-up cost of the newly acquired Sewer Plant which services Madison Lakes subdivision only.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Morgan County's government-wide investment in capital assets at June 30, 2016 was $54,454,417, 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 fiscal year 2016 were $0.91 million. Major capital asset activities in fiscal year 2016 were:

In Governmental Activities:

- Various machinery and equipment which totaled $59,241.
- Eight vehicles for Sheriff's Department, Roads & Bridges, Code Enforcement, Fire, and Public Buildings which totaled $318,352
- Land purchased for Parks and Recreation Complex in the amount of $518,233

Long-term debt. At June 30, 2016, Morgan County governmental activities had outstanding debt of $14,171,939. Of this amount $36,389 is from various capital leases, $12,111,109 is from contracts payable, $1,710,107 is from the net pension obligation, and $314,334 is from compensated absences payable. See note 7 for more details. Payments of $64,644 were made on capital leases. Payments of $1,616,474 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 50 and 51.

There were no changes from the original budget to the final budget.

Actual revenue of $16,957,032 and expenditures of $16,351,208 resulted in a $605,824 increase in fund balance. Actual revenue was $103,693 more than the final budget which was due to higher land value and additional acreage sold. Expenditures were also under the final budget of $500,638. This was due to savings from positions funded but not filled and funds budgeted for contingency but not used.

ECONOMIC FACTORS AND THE 2017 BUDGET

The economic outlook for 2017 is expected to be consistent with fiscal year 2016. The overall general fund budget is an increase of only $198,221 over the prior year. Commissioners approved to take the rollback millage rate of 11.194 which was a decrease of 0.12 mills in FY 2016. Employee benefits are expected to increase by $357,000 due to rising cost of health care benefits and retirement cost. The majority of that increase is offset by savings from fuel cost and capital items either delayed or shifted to be SPLOST as the funding source. Market values for real and personal property are stabilizing and, in some cases, slightly increasing. The unemployment rate in Morgan County is a little above 5% which is consistent with state average. Management continues to monitor revenue collection rates and control spending to ensure there is no decrease in services or significant increase in the millage rate.

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
For the Year Ended June 30, 2016

	PRIMARY GOVERNMENT			
ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
Cash	$ 2,712,924	$ -	$ 2,712,924	$ 1,867,254
Investments	-	-	-	50,000
Receivables	903,633	73,345	976,978	1,182,134
Internal balances	78,542	(78,542)	-	-
Inventories	11,572	-	11,572	220,000
Prepaid items	155,130	6,575	161,705	82,000
Investment in joint venture	2,674,520	-	2,674,520	-
Restricted assets:				
Cash	-	-	-	358,000
Non-current assets:				
Receivables	-	-	-	41,000
Capital assets:				
Capital assets not being depreciated	10,292,114	284,864	10,576,978	2,058,000
Capital assets being depreciated	104,213,972	1,155,721	105,369,693	9,553,844
Less: accumulated depreciation	(50,863,727)	(967,698)	(51,831,425)	(8,185,354)
Capital assets, net of depreciation	63,642,359	472,887	64,115,246	3,426,490
TOTAL ASSETS	70,178,680	474,265	70,652,945	7,226,878
DEFERRED OUTFLOWS OF RESOURCES				
Pension expense	412,577	-	412,577	56,667
TOTAL DEFERRED OUTFLOWS OF RESOURCES	412,577	-	412,577	56,667
TOTAL ASSETS & DEFERRED OUTFLOWS	70,591,257	474,265	71,065,522	7,283,545
LIABILITIES				
Accounts payable	894,132	111,792	1,005,924	903,517
Other accrued items	116,723	3,704	120,427	633,000
Due to other governments	84,795	-	84,795	-
Amounts held in trust	25,000	-	25,000	-
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	220,034	6,687	226,721	-
Accrued landfill closure / postclosure	-	30,960	30,960	-
Capital leases payable	36,389	-	36,389	-
Revenue bonds payable	-	-	-	100,000
Contracts payable	1,685,229	-	1,685,229	-
Due in more than one year				
Compensated absences payable	94,300	2,866	97,166	30,914
Net pension liability	1,710,107	-	1,710,107	398,536
Accrued landfill closure / postclosure	-	279,140	279,140	-
Revenue bonds payable	-	-	-	105,000
Contracts payable	10,425,880	-	10,425,880	-
TOTAL LIABILITIES	15,292,589	435,149	15,727,738	2,170,967
DEFERRED INFLOWS OF RESOURCES				
Pension expense	-	-	-	85,496
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	85,496
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	15,292,589	435,149	15,727,738	2,256,463
NET POSITION				
Net investment in capital assets	53,981,530	472,887	54,454,417	3,221,490
Restricted for:				
Debt service	-	-	-	214,000
Judicial programs	24,834	-	24,834	-
Public safety programs	215,868	-	215,868	-
Health and welfare programs	29,834	-	29,834	144,000
Unrestricted	1,046,602	(433,771)	612,831	1,447,592
TOTAL NET POSITION	$ 55,298,668	$ 39,116	$ 55,337,784	$ 5,027,082

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

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	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: TOTAL	NET (EXPENSE) AND CHANGES IN NET POSITION: COMPONENT UNITS
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	$ 3,834,066	$ 812,212	$ 892,443	$ 3,100	$ (2,126,311)	$ -	$ (2,126,311)	$ -
Judicial	1,375,689	712,210	-	-	(663,479)	-	(663,479)	-
Public safety	7,650,554	417,185	146,368	(1,603)	(7,088,604)	-	(7,088,604)	-
Public works	5,087,333	-	-	-	(5,087,333)	-	(5,087,333)	-
Public health and welfare	1,907,219	26,317	323,724	35,449	(1,521,729)	-	(1,521,729)	-
Recreation and culture	2,003,869	286,373	53,978	-	(1,663,518)	-	(1,663,518)	-
Housing and development	670,970	280,115	-	-	(390,855)	-	(390,855)	-
Interest	568,892	-	-	-	(568,892)	-	(568,892)	-
Total Governmental Activities	23,098,592	2,534,412	1,416,513	36,946	(19,110,721)	-	(19,110,721)	-
BUSINESS-TYPE ACTIVITIES								
Solid waste/recycling	1,158,133	534,246	-	-	-	(623,887)	(623,887)	-
Sewer fund	80,504	39,535	-	-	-	(40,969)	(40,969)	-
Total Business-Type Activities	1,238,637	573,781	-	-	-	(664,856)	(664,856)	-
TOTAL PRIMARY GOVERNMENT	$ 24,337,229	$ 3,108,193	$ 1,416,513	$ 36,946	(19,110,721)	(664,856)	(19,775,577)	-
COMPONENT UNITS								
Health Department	$ 511,269	$ 246,444	$ 404,551	$ -	-	-	-	139,726
Hospital Authority	13,916,000	13,484,000	2,143,000	-	-	-	-	1,711,000
TOTAL COMPONENT UNITS	$ 14,427,269	$ 13,730,444	$ 2,547,551	$ -	-	-	-	1,850,726
GENERAL REVENUES								
Property taxes					9,665,734	-	9,665,734	-
Sales taxes					5,866,917	-	5,866,917	-
Insurance premium taxes					659,824	-	659,824	-
Real estate recording taxes					189,036	-	189,036	-
Other taxes					173,719	-	173,719	-
Total taxes					16,555,230	-	16,555,230	-
Unrestricted investment earnings					2,776	-	2,776	4,757
Grants and contributions not restricted to a specific program					771,861	-	771,861	-
Gain on sale of capital assets					436,579	-	436,579	(16,000)
TRANSFERS					(652,266)	652,266	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					17,114,180	652,266	17,766,446	(11,243)
CHANGES IN NET POSITION					(1,996,541)	(12,590)	(2,009,131)	1,839,483
NET POSITION, Beginning					57,295,209	51,706	57,346,915	3,187,599
NET POSITION, Ending					$ 55,298,668	$ 39,116	$ 55,337,784	$ 5,027,082

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

ASSETS	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash	$ 2,104,436	$ 339,741	$ 268,747	$ 2,712,924
Receivables	475,103	318,535	109,994	903,632
Interfund receivables	1,598,442	-	18,980	1,617,422
Prepaid items	150,004	-	5,126	155,130
Inventories	11,572	-	-	11,572
TOTAL ASSETS	$ 4,339,557	$ 658,276	$ 402,847	$ 5,400,680
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 761,696	$ 106,684	$ 25,751	$ 894,131
Other accrued items	109,917	-	6,806	116,723
Due to other governments	-	84,795	-	84,795
Interfund payables	18,980	1,420,146	99,754	1,538,880
Amounts held in trust	25,000	-	-	25,000
TOTAL LIABILITIES	915,593	1,611,625	132,311	2,659,529
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	131,230	-	-	131,230
Unavailable revenue - other	3,000	-	-	3,000
TOTAL DEFERRED INFLOWS OF RESOURCES	134,230	-	-	134,230
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,049,823	1,611,625	132,311	2,793,759
FUND BALANCES				
Nonspendable:				
Prepaid expenditure	150,004	-	1,417	151,421
Inventories	11,572	-	-	11,572
Restricted:				
Judicial programs	-	-	24,834	24,834
Public safety programs	-	-	214,451	214,451
Health and welfare programs	-	-	29,834	29,834
Unassigned:	3,128,158	(953,349)	-	2,174,809
TOTAL FUND BALANCES	3,289,734	(953,349)	270,536	2,606,921
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 4,339,557	$ 658,276	$ 402,847	$ 5,400,680

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, 2016

Total Fund Balances for Governmental Funds (page 3)		$ 2,606,921
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.		63,642,359
Some assets are not available in the current period and therefore are not reported in the funds.		
Investment in joint venture	2,674,520	
		2,674,520
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		
Property Taxes	131,230	
Deferred Rent Revenue	3,000	
		134,230
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability	(1,710,107)	
Compensated absences	(314,334)	
Capital leases	(36,389)	
Contracts payable	(12,111,109)	
Net deferred inflows(outflows)- pension expense	412,577	
		(13,759,362)
Total net position of governmental activities (page 1)		$ 55,298,668

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, 2016

	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	$ 13,105,905	$ 3,391,283	$ 50,592	$ 16,547,780
Licenses and permits	218,467	-	-	218,467
Intergovernmental	1,108,139	502,558	110,161	1,720,858
Fines and forfeitures	405,190	-	101,708	506,898
Charges for services	1,312,932	-	315,245	1,628,177
Contributions and donations	99,767	391,632	13,060	504,459
Investment income	2,702	-	74	2,776
Miscellaneous	87,254	-	-	87,254
TOTAL REVENUES	16,340,356	4,285,473	590,840	21,216,669
EXPENDITURES				
Current Expenditures				
General government	3,095,481	-	-	3,095,481
Judicial	1,245,438	-	19,461	1,264,899
Public safety	5,170,125	276,229	796,619	6,242,973
Public works	1,434,335	891,005	-	2,325,340
Public health and welfare	1,816,365	-	-	1,816,365
Recreation and culture	1,212,477	667,849	-	1,880,326
Housing and development	578,908	-	30,943	609,851
Intergovernmental	-	520,799	-	520,799
Capital outlay	381,721	505,706	18,980	906,407
Debt service				
Principal	296,474	1,354,982	29,662	1,681,118
Interest	106,238	529,133	588	635,959
TOTAL EXPENDITURES	15,337,562	4,745,703	896,253	20,979,518
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	1,002,794	(460,230)	(305,413)	237,151
OTHER FINANCING SOURCES (USES)				
Sale of county property	557,027	-	-	557,027
Transfers in	59,649	-	361,380	421,029
Transfers out	(1,013,646)	-	(59,649)	(1,073,295)
TOTAL OTHER FINANCING SOURCES (USES)	(396,970)	-	301,731	(95,239)
NET CHANGE IN FUND BALANCES	605,824	(460,230)	(3,682)	141,912
FUND BALANCES, Beginning of year	2,683,910	(493,119)	274,218	2,465,009
FUND BALANCES, End of year	$ 3,289,734	$ (953,349)	$ 270,536	$ 2,606,921

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, 2016

Net change in fund balances (page 5)		$ 141,912
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	906,407	
Depreciation expense	(3,515,428)	
		(2,609,021)
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	(120,448)	
		(120,448)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	131,230	
Deferred rent revenue	3,000	
Investment in joint venture	2,674,520	
		2,808,750
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(123,780)	
Investment in joint venture	(2,583,903)	
		(2,707,683)
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 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	1,681,118	
Amortization of bond premium and discounts	67,068	
		1,748,186
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	(314,334)	
Compensated absences, prior year	291,418	
		(22,916)
Net pension liability is not available during the current period and therefore is not reported in the funds.		
End of year	(1,710,107)	
Beginning of year	448,440	
		(1,261,667)
Contributions made after pension measurement date are reported in deferred outflows.		
End of year	412,577	
Beginning of year	(386,231)	
		26,346
Changes in net position of governmental activities (page 2)		$ (1,996,541)

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2016

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	SOLID WASTE DISPOSAL FACILITY	NON-MAJOR SEWER FUND	TOTAL
ASSETS			
Current Assets			
Receivables	$ 56,178	$ 17,167	$ 73,345
Prepaid items	6,575	-	6,575
TOTAL CURRENT ASSETS	62,753	17,167	79,920
Noncurrent Assets			
Capital assets			
Capital assets not being depreciated	284,864	-	284,864
Capital assets being depreciated	1,155,721	-	1,155,721
Less: accumulated depreciation	(967,698)	-	(967,698)
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	472,887	-	472,887
TOTAL NONCURRENT ASSETS	472,887	-	472,887
TOTAL ASSETS	535,640	17,167	552,807
LIABILITIES			
Current Liabilities			
Accounts payable	106,371	5,421	111,792
Other accrued items	3,704	-	3,704
Interfund payables	48,543	29,999	78,542
Compensated absences payable	6,687	-	6,687
Accrued landfill closure/postclosure	30,960	-	30,960
TOTAL CURRENT LIABILITIES	196,265	35,420	231,685
Noncurrent Liabilities			
Compensated absences payable	2,866	-	2,866
Accrued landfill closure/postclosure	279,140	-	279,140
TOTAL NONCURRENT LIABILITIES	282,006	-	282,006
TOTAL LIABILITIES	478,271	35,420	513,691
NET POSITION			
Investment in capital assets	472,887	-	472,887
Unrestricted	(415,518)	(18,253)	(433,771)
TOTAL NET POSITION	$ 57,369	$ (18,253)	$ 39,116

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, 2016

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	SOLID WASTE DISPOSAL FACILITY	**NON-MAJOR SEWER FUND**	**TOTAL**
OPERATING REVENUES			
Sewer Sales	$ -	$ 39,535	$ 39,535
Charges for services-other	534,246	-	534,246
Total Operating Revenues	534,246	39,535	573,781
OPERATING EXPENSES			
Salaries and benefits	277,172	354	277,526
Other services and charges	89,480	80,150	169,630
Landfill closure/postclosure costs	27,660	-	27,660
Depreciation	50,562	-	50,562
Waste disposal fees	680,044	-	680,044
Professional fees	17,828	-	17,828
Repairs and maintenance	15,387	-	15,387
Total Operating Expenses	1,158,133	80,504	1,238,637
OPERATING INCOME (LOSS)	(623,887)	(40,969)	(664,856)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(623,887)	(40,969)	(664,856)
Transfer in	629,550	22,716	652,266
CHANGE IN NET POSITION	5,663	(18,253)	(12,590)
TOTAL NET POSITION, Beginning of year	51,706	-	51,706
TOTAL NET POSITION, End of year	$ 57,369	$ (18,253)	$ 39,116

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, 2016

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	SOLID WASTE DISPOSAL FACILITY	NON-MAJOR SEWER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customer	$ 538,818	$ 22,368	$ 561,186
Payments to suppliers	(882,269)	(44,730)	(926,999)
Payments to employees	(286,099)	(354)	(286,453)
Net cash provided by (used in) operating activities	(629,550)	(22,716)	(652,266)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	629,550	22,716	652,266
Net Cash provided (used) by non-capital financing activities	629,550	22,716	652,266
Net increase (decrease) in cash and cash equivalents	-	-	-
CASH, Beginning of year	-	-	-
CASH, End of year	$ -	$ -	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ (623,887)	$ (40,969)	$ (664,856)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	50,562	-	50,562
(Increase) decrease in:			
Accounts receivable	4,572	(17,167)	(12,595)
Prepaid expenses	117	-	117
Increase (decrease) in:			
Accounts payable	50,405	5,421	55,826
Compensated absences	(4,056)	-	(4,056)
Accrued landfill costs	(3,300)	-	(3,300)
Other accrued items	(4,871)	-	(4,871)
Interfund payables	(99,092)	29,999	(69,093)
Net cash provided by (used in) operating activities	$ (629,550)	$ (22,716)	$ (652,266)

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2016

	BRASWELL FUND PRIVATE PURPOSE TRUST FUND	AGENCY FUNDS
ASSETS		
Cash	$ 10,524	$ 695,357
Investments:		
Common stocks	65,223	-
Mutual funds, equities	176,025	-
Mutual funds, debt securities	45,179	-
TOTAL ASSETS	296,951	695,357
LIABILITIES		
Due to other agencies	-	695,357
TOTAL LIABILITIES	-	695,357
NET POSITION		
Restricted for orphan care	296,951	-
TOTAL NET POSITION	$ 296,951	$ -

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, 2016

	BRASWELL FUND PRIVATE PURPOSE TRUST FUND
ADDITIONS	
Investment earnings	
Interest earned	$ 9
Dividend income	16,032
Net change in fair value of investments	(4,888)
Total investment earnings	11,153
Interest and investment expense	(3,641)
Net investment earnings	7,512
TOTAL ADDITIONS	7,512
DEDUCTIONS	
Tuition	12,900
Administrative expenses	5,715
TOTAL DEDUCTIONS	18,615
CHANGE IN NET POSITION	(11,103)
NET POSITION, Beginning of year	308,054
NET POSITION, End of year	$ 296,951

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
For the Year Ended June 30, 2016

	HEALTH DEPARTMENT	HOSPITAL AUTHORITY	TOTAL
ASSETS			
Cash	$ 553,254	$ 1,314,000	$ 1,867,254
Investments	-	50,000	50,000
Receivables (net of allowance for uncollectibles)	40,134	1,142,000	1,182,134
Inventories	-	220,000	220,000
Prepaid items	-	82,000	82,000
Restricted assets:			
Cash	-	358,000	358,000
Non-current assets:			
Receivables	-	41,000	41,000
Capital assets:			
Capital assets not being depreciated	-	2,058,000	2,058,000
Capital assets being depreciated	84,844	9,469,000	9,553,844
Less: accumulated depreciation	(59,354)	(8,126,000)	(8,185,354)
Capital assets, net of depreciation	25,490	3,401,000	3,426,490
TOTAL ASSETS	618,878	6,608,000	7,226,878
DEFERRED OUTFLOWS OF RESOURCES			
Pension expense	56,667	-	56,667
TOTAL DEFERRED OUTFLOWS OF RESOURCES	56,667	-	56,667
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	675,545	6,608,000	7,283,545
LIABILITIES			
Accounts payable	30,517	873,000	903,517
Other accrued items	-	633,000	633,000
Noncurrent liabilities:			
Due within one year			
Revenue bonds payable	-	100,000	100,000
Due in more than one year			
Compensated absences payable	30,914	-	30,914
Revenue bonds payable	-	105,000	105,000
Net pension liability	398,536	-	398,536
TOTAL LIABILITIES	459,967	1,711,000	2,170,967
DEFERRED INFLOWS OF RESOURCES			
Pension expense	85,496	-	85,496
TOTAL DEFERRED INFLOWS OF RESOURCES	85,496	-	85,496
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	545,463	1,711,000	2,256,463
NET POSITION			
Net investment in capital assets	25,490	3,196,000	3,221,490
Restricted for:			
Debt service		214,000	214,000
Public health and welfare	-	144,000	144,000
Unrestricted	104,592	1,343,000	1,447,592
TOTAL NET POSITION	$ 130,082	$ 4,897,000	$ 5,027,082

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, 2016

		.....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	$ 511,269	$ 246,444	$ 404,551	$ -	$ 139,726	$ -	$ 139,726
Hospital Authority	13,916,000	13,484,000	2,143,000	-	-	1,711,000	1,711,000
TOTAL COMPONENT UNITS	$ 14,427,269	$ 13,730,444	$ 2,547,551	$ -	139,726	1,711,000	1,850,726
GENERAL REVENUES							
Unrestricted investment earnings					757	4,000	4,757
Gain on sale of capital assets					-	(16,000)	(16,000)
TOTAL GENERAL REVENUES AND TRANSFERS					757	(12,000)	(11,243)
CHANGES IN NET POSITION					140,483	1,699,000	1,839,483
NET POSITION, Beginning					(10,401)	3,198,000	3,187,599
NET POSITION, Ending					$ 130,082	$ 4,897,000	$ 5,027,082

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of MORGAN COUNTY, GEORGIA (the County) have been prepared in conformity with generally accepted accounting principles (GAP) 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 County's accounting policies are described below.

REPORTING ENTITY

The County 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 County and its component units, entities for which the County 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-five bed acute care facility. 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 2016, the County transferred $998,000 to the hospital authority. The hospital authority is presented as a proprietary fund type.

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 2016, the County transferred $170,000 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

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 noncircular 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.

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 County considers property taxes 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 County.

The County reports the following major governmental funds:

> The *General Fund* is the County'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 County 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 County reports the following *fiduciary funds*, which account for assets held by the County in a trustee capacity or as an agent on behalf of others:

> *Private-purpose trust funds* account for assets held by the County 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 Roswell 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 cooperating 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 cooperating revenues and expenses.

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

ASSETS, LIABILITIES AND NET POSITION OR EQUITY

Deposits and Investments

The County'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.

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 2015 taxes were levied August 20, 2015, and were due 90 days after issuance. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien after March 20, 2016.

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.

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 prepaid's are recorded as expenditures when consumed, rather than when purchased.

Bond Premiums and Discounts

Premiums and discounts 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 fiscal year 2016 was $67,068. None of these costs were capitalized in 2016.

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.

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

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 County has one item that qualifies for reporting in this category. The item, deferred charge in pension expense, represents contributions made into the defined benefit pension plan after the measurement date. These contributions will be recognized as pension expense in the next fiscal year.

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 County 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 two sources: property taxes and unearned rental income.

Compensated Absences

It is the County'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. A liability for these amounts is reported in the governmental funds only if they have matured. 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**.**

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.

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:

- *Nonexpendable* - Fund balances are reported as nonexpendable when the amounts cannot be spent because they are either (a) not in expendable 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 County’s policy to use restricted resources first, then committed, assigned, and unassigned (or unrestricted) resources as they are needed.

Net Investment in Capital Assets

The "Net investment in capital assets" reported on the government-wide statement of net position as of June 30, 2016, are as follows:

Net investment in capital assets	Governmental Activities	Business-type Activities
Cost of capital assets	$ 114,506,086	$ 1,440,585
Less accumulated depreciation	(50,863,727)	(967,698)
Book value	63,642,359	472,887
Less capital related debt	(9,660,829)	-
Net investment in capital assets	$ 53,981,530	$ 472,887

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 governmental activities statement of net position reports $270,536 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:

Nonmajor Restricted Programs 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.	$	24,834
Subtotal - Restricted for Judicial Programs		
Public Safety Programs -		
Restricted Programs 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.		153,491
Sheriff's Law Enforcement - to account for funds from seizures to be used for law enforcement activities.		60,960
Subtotal - Restricted for Public Safety Programs		214,451
Health and Welfare Programs -		
Restricted Programs Fund - To account for funds received from surcharges on fines and forfeitures restricted for youth enrichment activities.		29,834
Total Restricted Fund Balance	$	269,119

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 County 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 County's Board of Commissioners for review. The County'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 County'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.

(B) DEFICIT FUND BALANCES

At June 30, 2016, the SPLOST fund had a fund balance deficit of $(953,349), which resulted from financing by the General Fund to build a new Fire and EMS facility on Monticello Hwy in previous years. As SPLOST collections progress, deficit will be eliminated.

At June 30, 2016, the Sewer fund had a fund balance deficit of $(18,253), which resulted from start up costs related to the new utility fund that will be made back in fiscal year 2017.

NOTE 4 - DEPOSITS AND INVESTMENTS

The County's investments are held in a private purpose trust fund known as the Roswell 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 County's deposits may not be returned. The County's policies permit it to exceed the FICA insured limit in making deposits in commercial banks and savings and loans institutions if the funds are otherwise adequately secured. As of June 30, 2016, 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 counterpart, the County 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. The 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 County 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 FICA; 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. The County does not have an investment policy that would further limit these investment choices.

Concentration of Credit Risk

The 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 County 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, 2016, 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, 2016, 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, 2016, the Braswell Fiduciary Fund had the following investments:

Investment Type	Fair Value	Rating	Rating Agency	Weighted Average Maturity (Years)
Common Stocks	$ 65,223	n/a	n/a	n/a
Mutual Funds	176,025	n/a	n/a	n/a
Subtotal Equity Securities	241,248			
Mutual Fund Debt Securities	45,179	BB	Morningstar	5.83
Total Investments	$ 286,427			

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, non-major governmental funds in the aggregate, and enterprise fund including the applicable allowances for uncollectible accounts are as follows:

	General Fund	SPLOST	Non-major Governmental Funds	Enterprise Fund Solid Waste	Non-major Enterprise Fund Sewer
Receivables:					
Property Taxes	$ 131,230	$ -	$ -	$ -	$ -
Accounts	87,385	-	50,084	26,483	17,167
Intergovernmental	256,488	318,535	59,910	29,695	-
Total Gross Receivables	475,103	318,535	109,994	56,178	17,167
Less: Allowance for Uncollectibles	-	-	-	-	-
Total Net Receivables	$ 475,103	$ 318,535	$ 109,994	$ 56,178	$ 17,167

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)	$ 131,230	$ -	$ 131,230
Deferred rent revenue (General Fund)	-	3,000	3,000
Total unearned revenue for governmental funds	$ 131,230	$ 3,000	$ 134,230

Property taxes receivable at June 30, 2016, consist of the following:

DIGEST YEAR	GENERAL FUND
2016[(1)]	$ 3,966
2015	79,722
2014	14,740
2013	6,628
2012	15,547
2011	4,665
2010	1,566
2009	864
2008	605
2007	376
2006	325
2005	756
2004	93
2003	(96)
2002	253
2001 & prior	1,220
Total	$ 131,230

(1) 2016 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	$ 5,986	$ 2,744,000
Intergovernmental	34,148	202,000
Total Gross Receivables	40,134	2,946,000
Less: Allowance for Uncollectibles	-	(1,804,000)
Total Net Receivables	$ 40,134	$ 1,142,000

NOTE 6 - CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital asset activity for the year ended June 30, 2016, was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 9,874,317	$ 518,233	$ (111,016)	$ -	$ 10,281,534
Construction in progress	84,987	10,580	(9,432)	(75,555)	10,580
Total non-depreciable capital assets	9,959,304	528,813	(120,448)	(75,555)	10,292,114
Depreciable Assets:					
Land improvements	533,415	-	-	-	533,415
Buildings and improvements	35,615,646	-	-	-	35,615,646
Machinery and equipment	3,863,398	59,241	-	75,555	3,998,194
Vehicles	5,468,088	318,352	-	-	5,786,440
Infrastructure	58,280,277	-	-	-	58,280,277
Total depreciable capital assets	103,760,824	377,594	-	75,555	104,213,972
Less Accumulated Depreciation for:					
Land improvements	375,760	24,383	-	-	400,143
Buildings and improvements	8,523,737	901,044	-	-	9,424,781
Machinery and equipment	2,756,534	276,897	-	-	3,033,431
Vehicles	4,583,165	298,342	-	-	4,881,507
Infrastructure	31,109,103	2,014,762	-	-	33,123,865
Total accumulated depreciation	47,348,299	3,515,428	-	-	50,863,727
Total depreciable capital assets, net	56,412,525	(3,137,834)	-	75,555	53,350,245
Governmental activities capital assets, net	$ 66,371,829	$ (2,609,021)	$ (120,448)	$ -	$ 63,642,359

Additions to governmental activities capital assets for fiscal year ending June 30, 2016, consist of the following:

Capital Outlay	$ 906,407
Total	$ 906,407

Non-depreciable capital assets additions	$ 528,813
Depreciable capital assets additions	377,594
Total	$ 906,407

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Business-type Activities:					
Non-Depreciable Assets:					
Land and improvements	$ 284,864	$ -	$ -	$ -	$ 284,864
Depreciable Assets:					
Land improvements	103,308	-	-	-	103,308
Buildings and improvements	139,611	-	-	-	139,611
Machinery and equipment	611,896	-	-	-	611,896
Vehicles	300,906	-	-	-	300,906
Total depreciable capital assets	1,155,721	-	-	-	1,155,721
Less Accumulated Depreciation for:					
Land improvements	65,739	11,091	-	-	76,830
Buildings	94,106	4,982	-	-	99,088
Equipment	456,384	34,489	-	-	490,874
Vehicles	300,906	-	-	-	300,906
Total accumulated depreciation	917,135	50,562	-	-	967,698
Total depreciable capital assets, net	238,586	(50,562)	-	-	188,023
Business-type activities capital assets, net	$ 523,450	$ (50,562)	$ -	$ -	$ 472,887

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

Governmental Activities:	
General Government	$ 398,221
Public Safety	960,277
Public Works	2,056,927
Public Health and Welfare	30,630
Recreation and Culture	64,894
Housing and Development	4,480
Rounding	(1)
Total depreciation expense-governmental activities	$ 3,515,428
Business-type Activities:	
Solid Waste	$ 50,562

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, 2016, 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:					
Armour Athletic Field Complex	$ 1,968,000	$ 10,580	$ -	$ 1,957,420	SPLOST/Bonds
Total	$ 1,968,000	$ 10,580	$ -	$ 1,957,420	

DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Machinery and equipment	$ 76,191	$ 8,653	$ -	$ 84,844
Less Accumulated Depreciation for Machinery and equipment	(51,721)	(7,633)	-	(59,354)
Capital Assets, net	$ 24,470	$ 1,020	$ -	$ 25,490

Activity for the *Hospital Authority* for the year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Non-Depreciable Assets:				
Land	$ 105,000	$ -	$ (100,000)	$ 5,000
Construction in progress	246,000	1,807,000	-	2,053,000
Total Non-Depreciable Assets	351,000	1,807,000	(100,000)	2,058,000
Depreciable Assets:				
Land improvements	61,000	-	-	61,000
Buildings and improvements	3,681,000	-	-	3,681,000
Equipment	5,527,000	200,000	-	5,727,000
Total Depreciable assets	9,269,000	200,000	-	9,469,000
Less Accumulated Depreciation for:				
Land improvements	(61,000)	-	-	(61,000)
Buildings and improvements	(2,951,000)	(56,000)	-	(3,007,000)
Equipment	(4,899,000)	(159,000)	-	(5,058,000)
Total accumulated depreciation	(7,911,000)	(215,000)	-	(8,126,000)
Total depreciable capital assets, net	1,358,000	(15,000)	-	1,343,000
Capital Assets, net	$ 1,709,000	$ 1,792,000	$ (100,000)	$ 3,401,000

NOTE 7 - LONG TERM DEBT

Long-term liability activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Capital leases	$ 101,033	$ -	$ (64,644)	$ 36,389	$ 36,389	$ -
Contracts payable	13,518,143	-	(1,616,474)	11,901,669	1,626,617	10,275,052
Plus: Original issue Premiums	276,508	-	(67,068)	209,440	58,612	150,828
Subtotal Contracts Payable	13,794,651	-	(1,683,542)	12,111,109	1,685,229	10,425,880
Net pension liability	448,440	1,674,244	(412,577)	1,710,107	-	1,710,107
Compensated absences	291,418	226,909	(203,993)	314,334	220,034	94,300
Governmental activities long-term liabilities	$ 14,635,542	$ 1,901,153	$ (2,364,756)	$ 14,171,939	$ 1,941,652	$ 12,230,287
Business-type Activities:						
Compensated absences	$ 13,609	$ 5,469	$ (9,525)	$ 9,553	$ 6,687	$ 2,866
Landfill closure/postclosure	313,400	27,660	(30,960)	310,100	30,960	279,140
Business-type activities long-term liabilities	$ 327,009	$ 33,129	$ (40,485)	$ 319,653	$ 37,647	$ 282,006

CAPITAL LEASES

The County leases certain equipment under non-cancelable capital leases. The leases relate to E911 Center equipment. This year, $50,322 was included in depreciation expense. 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
Machinery and equipment	$ 304,110
Less: Accumulated Depreciation	(220,110)
Total	$ 84,000

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016, were as follows:

Year Ending June 30,	Governmental Activities
2017	$ 37,852
Total minimum lease payments	37,852
Less: amount representing interest (3.95% - 5.26%)	(1,463)
Present value of minimum lease payments	$ 36,389

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 was $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, 2016, is $3,200,000 with Morgan County's share being $480,000.

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, and 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 $5,665,334 ($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, 2016 is 0.20%. The annual requirements to amortize the JDA bond using terms in effect as of June 30, 2016, are as follows:

Year ending, June 30,	Principal	Interest	Total
2017	$ 90,000	$ 960	$ 90,960
2018	90,000	780	90,780
2019	90,000	600	90,600
2020	105,000	420	105,420
2021	105,000	210	105,210
Total	$ 480,000	$ 2,970	$ 482,970

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, 2016 is $33,771.

The annual requirements to amortize the GEFA loan using terms in effect as of June 30, 2016, are as follows:

Year ending June 30,	Principal	Interest	Total
2017	$ 4,770	$ 1,488	$ 6,258
2018	4,996	1,262	6,258
2019	5,232	1,026	6,258
2020	5,479	778	6,257
2021	5,739	519	6,258
2022-2024	7,555	266	7,821
Total	$ 33,771	$ 5,339	$ 39,110

In November 2016, 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 Shire Pharmaceuticals PLC (Shire) related to an estimated $2 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. Shire has agreed to pay $2.5 million at the inception of the loan. The remaining $3.4 million will be a loan from the Georgia Environmental Finance Authority (GEFA). This loan will incur interest charges of 1.8% annually. Morgan County is responsible for 15% of the debt service payments. Morgan County's share of the $3.4 million loan will be $510,000. No payments are required until the sooner of January 1, 2020, or FDA approval of the Shire facility, which is expected to occur in fiscal year 2018.

During 2008, the County entered into an intergovernmental contract with the Morgan County Building Authority for $19,000,000 to acquire the land, 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, 2016 is $9,415,000.

The annual requirements to amortize Jail Bonds using terms in effect as of June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	$ 1,385,000	$ 457,512	$ 1,842,512
2018	1,455,000	388,263	1,843,263
2019	1,525,000	315,512	1,840,512
2020	1,600,000	239,263	1,839,263
2021	1,685,000	159,262	1,844,262
2022	1,765,000	75,013	1,840,013
Total	$ 9,415,000	$ 1,634,825	$ 11,049,825

In January 2014**,** the Morgan County Board of Commissioners entered into an Installment Sale Agreement with the Morgan County Building Authority to issue $2,500,000 in taxable Revenue Bonds, Series 2014. The bonds shall bear interest at a rate per annum of 4.50%. The bonds mature January 9, 2024. The bonds were issued to pay for the unfunded portion of the Morgan County, Georgia Pension Obligation. The outstanding balance of this debt at June 30, 2016 is $1,972,898.

The annual requirements to amortize general obligation bonds using terms in effect as of June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	$ 226,847	$ 84,988	$ 311,835
2018	237,229	388,263	625,492
2019	248,085	315,512	563,597
2020	259,439	239,263	498,702
2021	271,312	159,262	430,574
2022-2024	729,986	75,013	804,999
Total	$ 1,972,898	$ 1,262,301	$ 3,235,199

COMPENSATED ABSENCES

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

DISCRETELY PRESENTED COMPONENT UNITS

Long-term debt activity for the Health Department for the year ended June 30, 2016, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 30,952	$ 22,792	$ (22,830)	$ 30,914	$ -	$ 30,914
Net Pension Liability	440,698	-	(42,162)	398,536	-	398,536
Total Governmental activities	$ 471,650	$ 22,792	$ (64,992)	$ 429,450	$ -	$ 429,450

Long-term debt activity for the Hospital Authority for the year ended June 30, 2016, was as follows:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Bonds	$ 300,000	$ -	$ (95,000)	$ 205,000	$ 100,000	$ 105,000
Capital leases	55,000	-	(55,000)	-	-	-
Total long-term liabilities	$ 355,000	$ -	$ (150,000)	$ 205,000	$ 100,000	$ 105,000

The terms and due dates of the Hospital Authority's long-term debt, including capital lease obligations, at June 30, 2016, 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 imputed interest from 3.48% to 5.37%, collateralized by leased equipment.

The annual requirements to amortize long-term debt as of June 30, 2016, are as follows:

Year Ending June 30,	Bonds and notes payable			Capital Leases		
	Principal	Interest	Total	Principal	Interest	Total
2017	$ 100,000	$ 8,000	$ 108,000	$ -	$ -	$ -
2018	105,000	3,000	108,000	-	-	-
Total	$ 205,000	$ 11,000	$ 216,000	$ -	$ -	$ -

NOTE 8 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of June 30, 2016, is as follows:

Due To	Due From					
	General Fund	SPLOST	Other Nonmajor Governmental Funds	Solid Waste Disposal Facility	Sewer Fund	Total Due from Other Funds
General Fund	$ -	$ 1,420,146	$ 99,754	$ 48,543	$ 29,999	$ 1,598,442
Nonmajor Governmental Funds	18,980	-	-	-	-	18,980
Total Due to Other Funds	$ 18,980	$ 1,420,146	$ 99,754	$ 48,543	$ 29,999	$ 1,617,422

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) funding capital projects.

Interfund transfers as of the year ended June 30, 2016, are as follows:

Transfers Out	Transfers in				
	General Fund	Other Nonmajor Governmental Funds	Solid Waste Disposal Facility	Sewer Fund	Total Transfers Out
General Fund	$ -	$ 361,380	$ 629,550	$ 22,716	$ 1,013,646
Nonmajor Governmental Funds	59,649	-	-	-	59,649
Total - Transfers in	$ 59,649	$ 361,380	$ 629,550	$ 22,716	$ 1,073,295

Transfers are used to 1) supplement operating budgets, 2) help fund construction projects and debt service, and 3) reimburse unrestricted revenue.

NOTE 9 - RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

Plan Description

The County contributes to the Association of County Commissioners of Georgia (ACCG) Morgan County Defined Benefit Plan (the ACCG Plan).

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 of County Commissioners of Georgia, and is 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 ACCG Plan, as provided in Section 19.02 of the ACCG Plan Document. The ACCG 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 ACCG Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at 60 with 10 years of service and 3 years of plan participation. Effective January 1, 2014, the Plan is frozen to new participation.

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 five consecutive years prior to retirement or termination. The ACCG 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.

Participant counts as of January 1, 2015, (the most recent actuarial valuation date) and covered compensation (base on covered earnings for the preceding year) are shown below:

Retirees, beneficiaries and disabled participants receiving benefits	59
Terminated plan participants entitled to but not yet receiving benefits	67
Active employees participating in the Plan	122
Total number of Plan participants	248
Covered compensation for active participants	$ 4,107,807
Contributions as a percentage of covered-employee payroll	10.04 %

Contributions

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. The annual County contribution meets or exceeds the minimum funding requirements of Georgia Statute 47-20.

Net Pension Liability

The County's net pension liability was measured as of January 1, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability as of the January 1, 2016 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	4.0% - 5.5%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for Males and Females with Scale AA projection.

The actuarial assumptions used in the 2016 valuation were based on the results of an actuarial experience study for the period January 1, 1988 - December 31, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00 %	3.22%
Domestic large equities	30.00	2.34
Domestic mid equities	5.00	0.27
Domestic small equities	5.00	0.57
REIT	5.00	0.47
International	15.00	1.43
Multi cap	5.00	0.53
Global allocation	5.00	0.66
TOTAL	100.00 %	

* Rates shown are net of the 2.50% assumed rate of inflation

The discount rate used to measure the total pension liability was 7.50%. The projection of cash

flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in the Net Pension Liability

	Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2014	$ 11,445,082	$ 10,996,642	$ 448,440
Changes for the year:			
Service cost	352,270	-	352,270
Interest	841,481	-	841,481
Liability Experience (Gain)/Loss	81,065	-	81,065
Assumption Change	375,740	-	375,740
Contribution-employer	-	412,577	(412,577)
Net investment income	-	92,593	(92,593)
Benefit payments	(450,684)	(450,684)	-
Administrative expense	-	(24,642)	24,642
Other charges	-	(91,639)	91,639
Net changes	1,199,872	(61,795)	1,261,667
Balances at December 31, 2015	$ 12,644,954	$ 10,934,847	$ 1,710,107

The following presents the County's net pension liability calculated using the discount rate of 7.50%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1 % Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County's net pension liability	$ 3,293,043	$ 1,710,107	$ 384,842

Detailed information about the pension plan's fiduciary net position is available in separately issued financial report. That report may be obtained by writing to Morgan County Board of Commissioners, P.O. Box 168, Madison, Georgia 30650.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the County recognized pension expense of $700,638. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources

related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-
County contributions subsequent to the measurement date	412,577	-
TOTAL	$ 412,577	$ -

County contributions of $412,577 subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

DEFINED CONTRIBUTION PENSION PLAN

Plan Description

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Contribution Plan for Morgan County Employees (Plan A), a public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. Plan A was established by the County in January 2014 pursuant to Section 401(a) of the Internal Revenue Code of 1986 as a Money-Purchase Plan and Trust. At the inception of Plan A, the Defined Benefit Plan (Plan) excepted all employees with an employment commencement date prior to January 1, 2014. Plan A issues a stand alone report. It may be obtained from: Pension Services Company, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

All full-time County employees are eligible to participate in the Plan A after completing one year of service. Benefits vest after five years of service. The County contributes 3% of an eligible employee's salary as a "base" contribution, agreeing to match 200% of an eligible employee's contributions to Plan A. The match is limited to an additional 7%. A participant becomes eligible to retire at the normal retirement age of 65. Any participant leaving the plan before vesting "forfeits" the County's matching contribution to Plan A.

Funding Policy

Contributions totaling $102,074 ($53,694 employer and $48,380 employee) were made in accordance with the Plan A guidelines and the designations by County Employees.

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 non-major 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, 2016, 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, 2016, 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 also allows 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 workers' 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 $5,000 deductible applies to each claim, except for cyber liability claims which have a $2,500 deductible. The County also purchases catastrophic coverage for inmate medical costs with a $30,000 deductible per inmate. The following is a summary of coverage at June 30, 2016:

Property Losses	$	5,000,000	aggregate
Comprehensive General and Law Enforcement Liability	$	2,000,000	per occurrence
Automobile Liability	$	1,000,000	per occurrence
Errors and Omissions Liability	$	2,000,000	per occurrence
	$	4,000,000	aggregate
Crime Coverage	$	150,000	per occurrence
	$	50,000	per employee
Cyber Liability	$	1,000,000	per occurrence
Boiler and Machinery	$	100,000,000	per occurrence
Inmate Medical	$	250,000	Specific limit per inmate
	$	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, 2016.

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, is a member 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 $17,781 to the NEGRC for the year ended June 30, 2016. 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 require the County to place a final cover on its U.S. Highway 441 Landfill site when it stops 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.

As of June 30, 2016, the County has recorded a liability for the Highway 441 Landfill of $310,100, which represents the estimated closure and postclosure costs based on 100% of landfill capacity used to date. All estimated liability for these costs has been recognized since the landfill is no longer used. These amounts are based on what it would cost to perform all closure and postclosure care in 2016. 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, 2016, 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, 2016, the County had receipts of $50,592 and spent $30,943 to promote tourism, conventions, and trade shows. Of this amount, $17,843 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

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 $2,674,520, 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.

In 2002, the County entered into an intergovernmental contract with the above mentioned entities and the Newton County Water & Sewerage Authority (NCWSA) stipulating that the NCWSA would consummate the debt related to the joint venture each quarter if any net project income from the Research Park project exists. If not, the parties to the joint venture will continue to make payments based on the percentages of ownership disclosed above. In fiscal year 2016, the NCWSA was able to cover the debt service payments related to this debt, which are recorded by the County as intergovernmental revenue.

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.

On January 19, 2016, the County entered into a Development Agreement with Walton Georgia, LLC (Walton) to jointly provide sewer services to the Madison Lakes subdivision. The agreement stipulates that Walton and the County will each be responsible for 50% of all revenues and expenses related to the operation of the sewer plant. The County is a tenant in common with Walton for said sewer plant. Operating activity for this limited sewer utility service is presented in the non-major proprietary Sewer Fund.

NOTE 17 - SUBSEQUENT EVENTS

At its August 2, 2016 regular meeting, the Morgan County Board of Commissioners approved refinancing the intergovernmental contract with the Morgan County Building Authority (original contract for $19,000,000 to acquire the land, make renovations to the Jail building and build an aquatic center) and include an additional $3,000,000 in bond proceeds for capital projects for Recreation, Public Safety, and Utilities.

On July 1, 2016, the County entered into an intergovernmental agreement with the Morgan County Hospital Authority (a component unit of Morgan County) to make annual payments totaling $1,000,000 to the Hospital Authority for a period of twenty-five years. Monthly payments of $83,333 began in July 2016. The purpose of this agreement is to provide healthcare facilities for the citizens of Morgan County and provide for indigent care by modernizing and renovating the current Hospital facilities.

MORGAN COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY -
ACCG MORGAN COUNTY DEFINED BENEFIT PLAN
For the Year Ended June 30, 2016
"Unaudited"

For the Year Ended June 30,	2016	2015
Net pension liability	$ 1,710,107	$ 448,440
Covered-employee payroll	$ 4,107,807	$ 4,000,721
Net pension liability as a percentage of its covered-employee payroll	41.63%	11.21%
Total pension liability	$ 12,644,954	$ 11,445,083
Plan fiduciary net position	$ 10,934,847	$ 10,996,642
Plan fiduciary net position as a percentage of the total pension liability	86.50%	96.10%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

MORGAN COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS -
ACCG MORGAN COUNTY DEFINED BENEFIT PLAN
For the Year Ended June 30, 2016
"Unaudited"

For the Year Ended June 30,	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 412,577	$ 386,231	$ 804,217	$ 722,334	$ 692,503	$ 619,647	$ 551,983
Contributions in relation to the contractually required contribution	412,577	386,231	804,217	721,905	692,503	333,895	578,600
Contribution deficiency (excess)	$ -	$ -	$ -	$ 429	$ -	$ 285,752	$ (26,617)
County's covered-employee payroll	$ 4,107,807	$ 4,000,721	$ 4,207,528	$ 3,953,057	$ 3,639,834	$ 3,217,395	$ 2,842,259
Contributions as a percentage of covered-employee payroll	10.04%	9.65%	19.11%	18.26%	19.03%	10.38%	20.36%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available, data from 6 previous years presented.

MORGAN COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ACCG MORGAN COUNTY DEFINED BENEFIT PLAN
For the Year Ended June 30, 2016
"Unaudited"

Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which donations are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended June 30, 2016 reported in that schedule:

Valuation Date	January 1, 2016
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, open
Remaining Amortization period	29 years
Asset Valuation method	Five-year smoothed market
Inflation Rate	2.50%
Salary Increases	4.0%-5.5%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

MORGAN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2016
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 2,683,910	$ 2,683,910	$ 2,683,910	$ -
RESOURCES (INFLOWS)				
Taxes	13,262,038	13,262,038	13,105,905	(156,133)
Licenses and permits	172,100	172,100	218,467	46,367
Intergovernmental	1,018,339	1,057,727	1,108,139	50,412
Fines and forfeitures	456,000	456,000	405,190	(50,810)
Charges for services	1,349,674	1,349,674	1,312,932	(36,742)
Contributions and donations	51,100	51,100	99,767	48,667
Investment income	1,700	1,700	2,702	1,002
Miscellaneous	30,000	30,000	87,254	57,254
Sale of county property	15,000	415,000	557,027	142,027
Transfers in	58,000	58,000	59,649	1,649
Total Resources (Inflows)	16,413,951	16,853,339	16,957,032	103,693
AMOUNTS AVAILABLE FOR APPROPRIATION	19,097,861	19,537,249	19,640,942	103,693
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Board of commissioners	76,997	77,775	72,662	5,113
County manager	201,495	214,664	210,433	4,231
County clerk	70,852	71,145	71,741	(596)
Elections	174,514	175,375	177,458	(2,083)
Finance	517,932	530,611	249,357	281,254
Law	83,000	89,866	89,865	1
Management information	577,816	573,907	541,533	32,374
Human resources	54,465	72,231	72,026	205
Tax commissioner	248,020	248,068	247,356	712
Tax assessor	455,983	488,028	475,277	12,751
Risk management	176,000	203,105	203,011	94
General government buildings	668,847	701,232	706,519	(5,287)
Records management	13,693	13,693	11,241	2,452
General administration fees	21,700	21,700	21,133	567
Board of equalization	25,592	29,592	28,015	1,577
Total General Government	3,366,906	3,510,992	3,177,627	333,365
Judicial				
Ocmulgee Circuit	26,334	26,539	26,538	1
Clerk of superior court	456,934	481,835	490,795	(8,960)
District attorney	74,410	74,010	74,079	(69)
Magistrate court	306,941	305,722	303,580	2,142
Probate court	264,221	263,578	265,416	(1,838)
Juvenile court	28,395	28,395	27,940	455
Public defender	60,134	60,134	57,090	3,044
Total Judicial	1,217,369	1,240,213	1,245,438	(5,225)
Public Safety				
Sheriff	2,152,537	2,060,969	2,049,353	11,616
Jail operation	1,599,309	1,769,782	1,772,413	(2,631)
Fire administration	1,104,920	982,064	860,184	121,880
Ambulance	317,005	317,005	315,221	1,784
Coroner/Medical Examiner	36,182	36,010	29,468	6,542
Emergency Management Agency	60,380	69,575	69,335	240
Animal control	259,518	257,326	258,652	(1,326)
Total Public Safety	5,529,851	5,492,731	5,354,626	138,105
Public Works				
Highways and streets	1,378,780	1,400,347	1,351,507	48,840
Maintenance and shop	134,470	135,090	127,374	7,716
Total Public Works	1,513,250	1,535,437	1,478,881	56,556

MORGAN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2016
(Required Supplementary Information)

CONTINUED.....

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Public Health and Welfare				
Senior citizens center	278,906	281,347	296,617	(15,270)
Transportation services	276,185	327,792	318,372	9,420
D.F.A.C.S.	45,902	45,902	45,902	-
Advantage behavioral	26,862	26,862	26,862	-
Health care facilities	1,168,000	1,168,000	1,168,000	-
Total Public Health and Welfare	1,795,855	1,849,903	1,855,753	(5,850)
Recreation and Culture				
Parks and recreation	906,935	920,494	931,208	(10,714)
Library	216,240	286,270	286,269	1
Total Recreation and Culture	1,123,175	1,206,764	1,217,477	(10,713)
Housing and development				
Soil conservation	15,958	15,958	15,958	-
Forestry services	30,260	30,260	30,260	-
Building inspection	203,191	203,812	199,990	3,822
Planning and zoning	205,607	206,404	202,334	4,070
County agent	123,994	123,994	118,506	5,488
Development authority	38,000	38,000	38,000	-
Total Housing and Development	617,010	618,428	605,048	13,380
Debt service	404,205	404,205	402,712	1,493
Transfers out	846,330	994,666	1,013,646	(18,980)
TOTAL CHARGES TO APPROPRIATIONS	16,413,951	16,853,339	16,351,208	500,638
CHANGE IN FUND BALANCE	-	-	605,824	605,824
FUND BALANCE, End of year	$ 2,683,910	$ 2,683,910	$ 3,289,734	$ 605,824

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

MORGAN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND	
	EMERGENCY TELEPHONE SERVICES	RESTRICTED PROGRAMS FUND	HOTEL MOTEL TAX	LAW LIBRARY	SHERIFF'S LAW ENFORCE-MENT	TOTAL SPECIAL REVENUE FUNDS	REVENUE BONDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS								
Cash	$ -	$ 183,421	$ 2,484	$ 21,882	$ 60,960	$ 268,747	$ -	$ 268,747
Receivables (net of allowance for uncollectibles)	102,072	12	4,458	3,452	-	109,994	-	109,994
Interfund receivables	-	-	-	-	-	-	18,980	18,980
Prepaid items	5,126	-	-	-	-	5,126	-	5,126
TOTAL ASSETS	$ 107,198	$ 183,433	$ 6,942	$ 25,334	$ 60,960	$ 383,867	$ 18,980	$ 402,847
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	$ 9,479	$ -	$ 6,942	$ 500	$ -	$ 16,921	$ 8,830	$ 25,751
Other accrued items	6,806	-	-	-	-	6,806	-	6,806
Interfund payables	89,496	108	-	-	-	89,604	10,150	99,754
TOTAL LIABILITIES	105,781	108	6,942	500	-	113,331	18,980	132,311
FUND BALANCES								
Nonspendable:								
Prepaid expenditure	1,417	-	-	-	-	1,417	-	1,417
Restricted:								
Judicial programs	-	-	-	24,834	-	24,834	-	24,834
Public safety programs	-	153,491	-	-	60,960	214,451	-	214,451
Health and welfare programs	-	29,834	-	-	-	29,834	-	29,834
TOTAL FUND BALANCES	1,417	183,325	-	24,834	60,960	270,536	-	270,536
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 107,198	$ 183,433	$ 6,942	$ 25,334	$ 60,960	$ 383,867	$ 18,980	$ 402,847

MORGAN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND	
	EMERGENCY TELEPHONE SERVICE	RESTRICTED PROGRAMS FUND	HOTEL/ MOTEL TAX	LAW LIBRARY	SHERIFF'S LAW ENFORCE-MENT	TOTAL SPECIAL REVENUE FUNDS	REVENUE BONDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES								
Taxes	$ -	$ -	$ 50,592	$ -	$ -	$ 50,592	$ -	$ 50,592
Intergovernmental	111,764	-	-	-	(1,603)	110,161	-	110,161
Fines and forfeitures	-	75,981	-	25,727	-	101,708	-	101,708
Charges for services	312,122	-	-	-	3,123	315,245	-	315,245
Contributions and donations	-	-	-	-	13,060	13,060	-	13,060
Investment income	-	17	-	-	57	74	-	74
TOTAL REVENUES	423,886	75,998	50,592	25,727	14,637	590,840	-	590,840
EXPENDITURES								
Current Expenditures								
Judicial	-	-	-	19,461	-	19,461	-	19,461
Public safety	736,033	42,108	-	-	18,478	796,619	-	796,619
Housing and development	-	-	30,943	-	-	30,943	-	30,943
Capital outlay	-	-	-	-	-	-	18,980	18,980
Debt service								
Principal	29,662	-	-	-	-	29,662	-	29,662
Interest	588	-	-	-	-	588	-	588
TOTAL EXPENDITURES	766,283	42,108	30,943	19,461	18,478	877,273	18,980	896,253
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(342,397)	33,890	19,649	6,266	(3,841)	(286,433)	(18,980)	(305,413)
OTHER FINANCING SOURCES (USES)								
Transfers in	342,400	-	-	-	-	342,400	18,980	361,380
Transfers out	-	(40,000)	(19,649)	-	-	(59,649)	-	(59,649)
TOTAL OTHER FINANCING SOURCES (USES)	342,400	(40,000)	(19,649)	-	-	282,751	18,980	301,731
NET CHANGE IN FUND BALANCES	3	(6,110)	-	6,266	(3,841)	(3,682)	-	(3,682)
FUND BALANCES, Beginning of year	1,414	189,435	-	18,568	64,801	274,218	-	274,218
FUND BALANCES, End of year	$ 1,417	$ 183,325	$ -	$ 24,834	$ 60,960	$ 270,536	$ -	$ 270,536

MORGAN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND
For the Year Ended June 30, 2016

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 1,414	$ 1,414	$ 1,414	$ -
RESOURCES (INFLOWS)				
Intergovernmental	110,621	110,621	111,764	1,143
Charges for services	345,000	315,332	312,122	(3,210)
Transfer in	299,882	342,400	342,400	-
Total Resources (Inflows)	755,503	768,353	766,286	(2,067)
AMOUNTS AVAILABLE FOR APPROPRIATION	756,917	769,767	767,700	(2,067)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	755,503	768,353	766,283	2,070
TOTAL CHARGES TO APPROPRIATIONS	755,503	768,353	766,283	2,070
CHANGE IN FUND BALANCE	-	-	3	3
FUND BALANCE, End of year	$ 1,414	$ 1,414	$ 1,417	$ 3

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, 2016

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 189,435	$ 189,435	$ 189,435	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	90,000	90,000	75,981	(14,019)
Investment income	-	-	17	17
Total Resources (Inflows)	90,000	90,000	75,998	(14,002)
AMOUNTS AVAILABLE FOR APPROPRIATION	279,435	279,435	265,433	(14,002)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	22,700	64,700	42,108	22,592
Public health and welfare	5,300	5,300	-	5,300
Transfers out	62,000	62,000	40,000	22,000
TOTAL CHARGES TO APPROPRIATIONS	90,000	132,000	82,108	49,892
CHANGE IN FUND BALANCE	-	(42,000)	(6,110)	35,890
FUND BALANCE, End of year	$ 189,435	$ 147,435	$ 183,325	$ 35,890

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, 2016

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Taxes	40,000	52,000	50,592	(1,408)
Total Resources (Inflows)	40,000	52,000	50,592	(1,408)
AMOUNTS AVAILABLE FOR APPROPRIATION	40,000	52,000	50,592	(1,408)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development	27,000	32,000	30,943	1,057
Transfers out	13,000	20,000	19,649	351
TOTAL CHARGES TO APPROPRIATIONS	40,000	52,000	50,592	1,408
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, 2016

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 18,568	$ 18,568	$ 18,568	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	35,000	35,000	25,727	(9,273)
Total Resources (Inflows)	35,000	35,000	25,727	(9,273)
AMOUNTS AVAILABLE FOR APPROPRIATION	53,568	53,568	44,295	(9,273)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	35,000	35,000	19,461	15,539
TOTAL CHARGES TO APPROPRIATIONS	35,000	35,000	19,461	15,539
CHANGE IN FUND BALANCE	-	-	6,266	6,266
FUND BALANCE, End of year	$ 18,568	$ 18,568	$ 24,834	$ 6,266

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, 2016

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 64,801	$ 64,801	$ 64,801	$ -
RESOURCES (INFLOWS)				
Intergovernmental	57,700	57,700	(1,603)	(59,303)
Fines and forfeitures	100,000	100,000	-	(100,000)
Charges for services	2,000	2,000	3,123	1,123
Contributions and donations	5,000	5,000	13,060	8,060
Investment income	500	500	57	(443)
Miscellaneous	2,000	2,000	-	(2,000)
Total Resources (Inflows)	167,200	167,200	14,637	(152,563)
AMOUNTS AVAILABLE FOR APPROPRIATION	232,001	232,001	79,438	(152,563)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	167,200	167,200	18,478	148,722
TOTAL CHARGES TO APPROPRIATIONS	167,200	167,200	18,478	148,722
CHANGE IN FUND BALANCE	-	-	(3,841)	(3,841)
FUND BALANCE, End of year	$ 64,801	$ 64,801	$ 60,960	$ (3,841)

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

MORGAN COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2016

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash	$ 286,081	$ 281,996	$ 33,203	$ 6,206	$ 87,871	$ 695,357
TOTAL ASSETS	$ 286,081	$ 281,996	$ 33,203	$ 6,206	$ 87,871	$ 695,357
LIABILITIES						
Amounts held in trust	$ 286,081	$ 281,996	$ 33,203	$ 6,206	$ 87,871	$ 695,357
TOTAL LIABILITIES	$ 286,081	$ 281,996	$ 33,203	$ 6,206	$ 87,871	$ 695,357

MORGAN COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2016

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash						
Balance, July 1, 2015	$ 379,062	$ 239,565	$ 44,723	$ 7,404	$ 79,079	$ 749,833
Additions	29,156,109	1,182,344	568,723	296,940	208,239	31,412,355
Deductions	(29,249,090)	(1,139,913)	(580,243)	(298,138)	(199,447)	(31,466,831)
Balance, June 30, 2016	286,081	281,996	33,203	6,206	87,871	695,357
TOTAL ASSETS	$ 286,081	$ 281,996	$ 33,203	$ 6,206	$ 87,871	$ 695,357
LIABILITIES						
Due to County						
Balance, July 1, 2015	$ -	$ -	$ -	$ -	$ -	$ -
Additions	10,633,517	466,790	383,689	87,166	53,414	11,624,576
Deductions	(10,633,517)	(466,790)	(383,689)	(87,166)	(53,414)	(11,624,576)
Balance, June 30, 2016	-	-	-	-	-	-
Amounts held in trust						
Balance, July 1, 2015	379,062	239,565	44,723	7,404	79,079	749,833
Additions	18,522,592	715,554	185,034	209,774	154,825	19,787,779
Deductions	(18,615,573)	(673,123)	(196,554)	(210,972)	(146,033)	(19,842,255)
Balance, June 30, 2016	286,081	281,996	33,203	6,206	87,871	695,357
Total Liabilities						
Balance, July 1, 2015	379,062	239,565	44,723	7,404	79,079	749,833
Additions	29,156,109	1,182,344	568,723	296,940	208,239	31,412,355
Deductions	(29,249,090)	(1,139,913)	(580,243)	(298,138)	(199,447)	(31,466,831)
TOTAL LIABILITIES	$ 286,081	$ 281,996	$ 33,203	$ 6,206	$ 87,871	$ 695,357

MORGAN COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
SPLOST # VI - Commenced April 1, 2013
For the Year Ended June 30, 2016

SPLOST # VI - Commenced April 1, 2013 Project	Original Estimated Cost	Current Estimated Cost	Amount Expended Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Total
LEVEL 1 COUNTY PROJECTS							
Debt Service Public Safety Complex	$ 12,000,000	$ 12,000,000	$ 1,491,506	$ 1,597,013 (3)	$ 1,844,513 (4)	$ 1,849,133	$ 6,782,165
							-
LEVEL 2 COUNTY PROJECTS							-
							-
Fire Facility Improvements and Equipment	1,512,018	1,512,018	46,483	1,340,078	33,714	-	1,420,275.00
Solid Waste & Recycling Equipment and Infrastructure	600,000	635,335	248,696	19,136	-	-	267,832.00
Recreational Field and Facility Improvements	375,000	375,000	32,845	3,780	95,366 (4)(5)	729,029	861,020.00
Emergency Management Services Office	250,000	250,000		250,000 (3)	-	-	250,000.00
E911 System Upgrades	850,000	850,000	95,365	400,496	75,555	873	572,289.00
County Facilities Improvements and Equipment	433,360	433,360	57,500	283,821	-	-	341,321.00
Road and Bridge Improvements and Equipment (2)	5,986,982	7,103,720	-	(64,314)	29,012 (4)	751,679	716,377.00
Subtotal All County Projects	22,007,360	23,159,433	1,972,395	3,830,010	2,078,160	3,330,714	11,211,279
MUNICIPAL PROJECTS							
City of Madison							
Road and Bridge Improvements and Equipment	800,000	800,000	26,410	104,612	106,351	104,348	341,721
Hill Park Restrooms	100,000	100,000	3,301	13,077	13,294	13,043	42,715
Public Safety Building Construction/Improvements and Equipment	550,000	550,000	18,156	71,921	73,116	71,739	234,932
City Hall Renovations	400,000	400,000	13,205	52,306	53,175	52,174	170,860
Acquisition of Town Park	1,000,000	1,000,000	33,012	130,766	132,939	130,435	427,152
Parks and Greenspace	267,640	267,640	8,835	34,998	35,580	34,910	114,323
Subtotal	3,117,640	3,117,640	102,919	407,680	414,455	406,649	1,331,703
City of Rutledge							
Fears Road Well Construction	161,500	161,500	5,332	21,118	21,469	21,064	68,983
Water Line Replacement - Newborn Road	168,500	168,500	5,562	22,033	22,399	21,977	71,971
Scada System Upgrade	105,000	105,000	3,466	13,730	13,958	13,695	44,849
Mini Excavator	35,000	35,000	1,155	4,577	4,653	4,565	14,950
Work Truck	30,000	30,000	990	3,922	3,987	3,913	12,812
Subtotal	500,000	500,000	16,505	65,380	66,466	65,214	213,565
City of Bostwick							
Demolition of Community Center, Construction of Parking	50,000	50,000	1,651	6,541	6,650	6,525	21,367
City Park Improvements	150,000	150,000	4,954	19,624	19,950	19,574	64,102
Sidewalk Additions and Improvements	25,000	25,000	826	3,271	3,325	3,262	10,684
Traffic Calming Devices	25,000	25,000	826	3,271	3,325	3,263	10,685
Subtotal	250,000	250,000	8,257	32,707	33,250	32,624	106,838
City of Buckhead							
Fire Station Improvements	40,000	40,000	1,321	5,233	5,320	5,220	17,094
Town Park Improvements	40,000	40,000	1,321	5,233	5,320	5,220	17,094
Sidewalk Improvements	32,500	32,500	1,073	4,252	4,323	4,241	13,889
Lawn Care Equipment	12,500	12,500	413	1,635	1,663	1,631	5,342
Subtotal	125,000	125,000	4,128	16,353	16,626	16,312	53,419
Total All City Projects **(1)**	3,992,640	3,992,640	131,809	522,120	530,797	520,799	1,705,525
Total All Projects	$ 26,000,000	$ 27,152,073	$ 2,104,204	$ 4,352,130	$ 2,608,957	$ 3,851,513	$ 12,916,804

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.
2. Expenditures for Road and Bridge improvements have been reduced to reflect LMIG funds received.
3. Expenditures related to the EMS Office have been adjusted to reflect budget.
4. Expenditures related to operating leases for Parks & Rec and Roads & Bridges projects have been adjusted out of debt service to correctly be included in project budgets.
5. Expenditures have been reduced to account for capital lease issued in fiscal year 2015.

MORGAN COUNTY, GEORGIA
Reconciliation of Expenditures for SPLOST
For the Year Ended 6/30/2016

Statement of Revenues, Expenditures and Changes in Fund Balance (page 5)

Expenditures	4,745,703
Transfers out	-
Subtotal	4,745,703
Less items not included as expenditures on SPLOST schedule below:	
Miscellaneous revenue used for expenditures first before SPLOST funds	(391,632)
Revenue from State, Federal, and Local grants used for expenditures first before SPLOST funds	(502,558)
Subtotal of adjustments	(894,190)
Expenditures reported on Splost schedule below	**3,851,513**

Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (page 61)

Splost #6	3,851,513
	-
Revised SPLOST 6	3,851,513
Total	**3,851,513**

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.

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Changes in Net Position	2
Fund Balances of Governmental Funds	3
Changes in Fund Balances of Governmental Funds	4
Statement of Revenues, Expenditures and Changes in Fund Balances	4A
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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.

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Direct and Overlapping Governmental Activities Debt	12
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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.

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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 POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2007 [1]	**2008**	**2009 [2]**	**2010**	**2011 [3]**	**2012**	**2013**	**2014**	**2015 [4]**	**2016**
GOVERNMENTAL ACTIVITIES										
Net Investment in capital assets	$ 60,744,769	$ 61,204,935	$ 55,714,514	$ 56,528,239	$ 56,112,122	$ 54,427,414	$ 56,643,351	$ 54,248,993	$ 55,259,288	$ 53,981,530
Restricted	3,371,944	4,656,654	2,894,625	1,034,074	1,988,959	1,008,376	864,445	219,325	648,150	270,536
Unrestricted:	6,013,298	6,387,344	7,956,715	8,764,214	7,642,504	6,808,528	5,393,386	3,735,413	1,387,772	1,046,602
Total governmental activities net position	$ 70,130,011	$ 72,248,933	$ 66,565,854	$ 66,326,527	$ 65,743,585	$ 62,244,318	$ 62,901,182	$ 58,203,731	$ 57,295,210	$ 55,298,668
BUSINESS-TYPE ACTIVITIES										
Net Investment in capital assets	$ 623,605	$ 553,538	$ 498,269	$ 435,751	$ 423,478	$ 388,750	$ 605,828	$ 575,162	$ 523,449	$ 472,887
Unrestricted	(389,821)	(197,287)	(93,952)	(273,097)	(290,420)	(388,750)	(369,352)	(434,675)	(471,742)	(433,771)
Total business-type activities net position	$ 233,784	$ 356,251	$ 404,317	$ 162,654	$ 133,058	$ -	$ 236,476	$ 140,487	$ 51,707	$ 39,116
PRIMARY GOVERNMENT										
Net investment in capital assets	$ 61,368,374	$ 61,758,473	$ 56,212,783	$ 56,963,990	$ 56,535,600	$ 54,816,164	$ 57,249,179	$ 54,824,155	$ 55,782,737	$ 54,454,417
Restricted	3,371,944	4,656,654	2,894,625	1,034,074	1,988,959	1,008,376	864,445	219,325	648,150	270,536
Unrestricted	5,623,477	6,190,057	7,862,763	8,491,117	7,352,084	6,419,778	5,024,034	3,300,738	916,030	612,831
Total primary government net position	$ 70,363,795	$ 72,605,184	$ 66,970,171	$ 66,489,181	$ 65,876,643	$ 62,244,318	$ 63,137,658	$ 58,344,218	$ 57,346,917	$ 55,337,784

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.
(4) In 2015, the County implemented GASB 68.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES										
Governmental activities:										
General government	$ 2,829,700	$ 2,855,057	$ 3,133,984	$ 3,351,744	$ 3,387,849	$ 3,550,225	$ 3,239,715	$ 5,830,073	$ 5,854,310	$ 3,834,066
Judicial	991,742	1,109,741	1,157,153	1,184,957	1,189,888	1,181,395	1,163,564	1,172,178	1,229,224	1,375,689
Public safety	4,554,357	4,913,787	5,191,945	5,307,303	6,433,955	6,388,700	6,409,666	6,535,907	6,934,339	7,650,554
Public works	4,608,035	4,522,872	4,792,370	4,855,857	4,010,735	4,981,927	4,848,108	4,693,100	4,568,580	5,087,333
Health and welfare	1,736,282	1,819,094	1,828,844	1,659,014	1,655,525	1,374,205	1,526,002	1,424,487	1,446,488	1,907,219
Recreation and culture	791,172	846,539	944,780	1,219,227	1,000,265	1,635,981	1,073,367	1,100,502	1,326,196	2,003,869
Housing and development	756,911	884,788	764,023	661,589	568,418	569,188	501,473	489,786	524,039	670,970
Interest on long-term debt	171,729	623,216	869,746	830,572	764,021	728,723	633,055	688,485	642,873	568,892
Total governmental activities expenses	16,439,928	17,575,094	18,682,845	19,070,263	19,010,656	20,410,344	19,394,950	21,934,518	22,526,049	23,098,592
Business-type activities:										
Solid waste disposal facility	1,099,220	1,229,757	1,173,153	954,279	987,377	924,782	868,546	849,543	930,385	1,158,133
Sewer utility fund										80,504
Total business-type activities expenses	1,099,220	1,229,757	1,173,153	954,279	987,377	924,782	868,546	849,543	930,385	1,238,637
Total primary government expenses	17,539,148	18,804,851	19,855,998	20,024,542	19,998,033	21,335,126	20,263,496	22,784,061	23,456,434	24,337,229
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	491,005	702,075	562,398	583,893	757,176	778,590	697,902	896,917	898,398	812,212
Judicial	802,409	937,425	985,746	1,039,309	853,314	600,536	753,130	701,347	698,470	712,210
Public safety	469,412	617,775	623,592	646,449	669,836	538,653	442,129	427,289	446,809	417,185
Public works	-	-	-	-	-	-	300	-	-	-
Health and welfare	197,622	70,531	59,628	49,433	46,382	37,069	18,520	21,741	32,682	26,317
Recreation and culture	165,268	221,360	206,481	262,664	250,468	258,698	267,432	272,062	276,160	286,373
Housing and development	426,486	345,103	415,055	149,986	127,478	170,581	1,195,072	203,954	260,314	280,115
Total charges for services	2,552,202	2,894,269	2,852,900	2,731,734	2,704,654	2,384,127	3,374,485	2,523,310	2,612,833	2,534,412
Operating grants and contributions	524,910	423,937	345,115	1,021,163	1,498,111	774,145	3,838,006	709,530	1,213,799	1,416,513
Capital grants and contributions	501,932	590,657	412,386	320,317	182,113	83,273	472,996	238,788	23,153	36,946
Total governmental activities program revenues	3,579,044	3,908,863	3,610,401	4,073,214	4,384,878	3,241,545	7,685,487	3,471,628	3,849,785	3,987,871

continued

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Solid waste disposal facility	385,146	406,576	341,034	287,163	327,258	291,399	256,398	264,354	324,824	534,246
Sewer utility fund										39,535
Total charges for services	385,146	406,576	341,034	287,163	327,258	291,399	256,398	264,354	324,824	573,781
Total business-type activities program revenues	385,146	406,576	341,034	287,163	327,258	291,399	256,398	264,354	324,824	573,781
Total primary government program revenues	$ 3,964,190	$ 4,315,439	$ 3,951,435	$ 4,360,377	$ 4,712,136	$ 3,532,944	$ 7,941,885	$ 3,735,982	$ 4,174,609	$ 4,561,652
Net (expense)/revenue										
Governmental activities	$ (12,860,884)	$ (13,666,231)	$ (15,072,444)	$ (14,997,049)	$ (14,625,778)	$ (17,168,799)	$ (11,709,463)	$ (18,462,890)	$ (18,676,264)	$ (19,110,721)
Business-type activities	(714,074)	(823,181)	(832,119)	(667,116)	(660,119)	(633,383)	(612,148)	(585,189)	(605,561)	(664,856)
Total primary government net expense	(13,574,958)	(14,489,412)	(15,904,563)	(15,664,165)	(15,285,897)	(17,802,182)	(12,321,611)	(19,048,079)	(19,281,825)	(19,775,577)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITIONS										
Governmental activities:										
Taxes										
Property Taxes	7,692,493	8,329,546	8,263,596	8,312,443	7,609,634	6,845,343	6,230,340	6,475,245	7,592,950	9,665,734
Sales Taxes	6,359,917	6,569,439	5,797,590	5,963,470	6,059,666	6,243,915	6,023,650	5,881,799	5,979,548	5,866,917
Insurance premium tax	488,710	513,885	526,410	518,862	504,631	525,844	561,768	583,868	616,172	659,824
Real estate and recording taxes	261,507	213,685	173,461	116,810	99,292	103,839	135,389	115,432	155,054	189,036
Other taxes	167,705	152,497	141,240	133,615	138,222	148,663	143,861	157,730	159,987	173,719
Total taxes	14,970,332	15,779,052	14,902,297	15,045,200	14,411,445	13,867,604	13,095,008	13,214,074	14,503,711	16,555,230
Unrestricted grants and contributions	353,997	304,611	307,172	-	228,308	258,767	356,525	1,023,119	603,183	771,861
Investment earnings	435,174	615,431	261,418	92,485	28,193	6,412	2,550	2,004	2,148	2,776
Miscellaneous	26,663	26,087	68,111	45,037	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	5,065	36,978	17,209	15,443	150,186	436,579
Transfers	(835,990)	(940,028)	(878,485)	(425,000)	(630,175)	(500,228)	(848,592)	(489,201)	(493,990)	(652,266)
Total governmental activities	14,950,176	15,785,153	14,660,513	14,757,722	14,042,836	13,669,533	12,622,700	13,765,439	14,765,238	17,114,180

continued

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Investment earnings	1,497	5,620	1,700	454	348	97	32	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	22,791	-
Transfers	835,990	940,028	878,485	425,000	630,175	500,228	848,592	489,201	493,990	652,266
Total business-type activities	837,487	945,648	880,185	425,454	630,523	500,325	848,624	489,201	516,781	652,266
Total primary government	15,787,663	16,730,801	15,540,698	15,183,176	14,673,359	14,169,858	13,471,324	14,254,640	15,282,019	17,766,446
CHANGE IN NET POSITIONS										
Governmental activities	2,089,292	2,118,922	(411,931)	(239,327)	(582,942)	(3,499,266)	913,237	(4,697,451)	(3,911,026)	(1,996,541)
Business-type activities	123,413	122,467	48,066	(241,662)	(29,596)	(133,058)	236,476	(95,988)	(88,780)	(12,590)
Total primary government	$ 2,212,705	$ 2,241,389	$ (363,865)	$ (480,989)	$ (612,538)	$ (3,632,324)	$ 1,149,713	$ (4,793,439)	$ (3,999,806)	$ (2,009,131)

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

	Fiscal Year									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
General fund										
Reserved	$ 240,340	$ 478,082	$ 174,675	$ 86,720	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	5,270,887	4,970,032	5,241,711	6,382,355	-	-	-	-	-	-
Nonspendable	-	-	-	-	147,389	414,127	468,467	181,501	185,636	161,576
Restricted	-	-	-	-	-	-	-	-	373,931.00	-
Assigned	-	-	-	-	-	1,915,412	-	-	-	-
Unassigned	-	-	-	-	6,625,548	3,419,893	3,324,061	2,648,089	2,124,343	3,149,463
Total general fund	$ 5,511,227	$ 5,448,114	$ 5,416,386	$ 6,469,075	$ 6,772,937	$ 5,749,432	$ 3,792,528	$ 2,829,590	$ 2,683,910	$ 3,311,039
All other governmental funds										
Reserved	$ 2,937,843	$ 19,573,659	$ 11,759,473	$ 568,311	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special Revenue Funds	778,291	1,006,678	1,084,759	477,024	-	-	-	-	(78)	(18,980)
Capital Projects Funds	93,038	151,785	6,926	-	-	-	-	-	(493,119)	(953,349)
Nonspendable	-	-	-	-	3,781	1,414	1,414	1,769	1,492	1,417
Restricted	-	-	-	-	1,985,180	1,004,257	863,031	217,911	272,804	269,119
Total all other governmental funds	$ 3,809,172	$ 20,732,122	$ 12,851,158	$ 1,045,335	$ 1,988,961	$ 1,005,671	$ 864,445	$ 219,680	$ (218,901)	$ (701,793)

Note: In 2011, the County implemented GASB 54.
Note: In 2015, the County implemented GASB 68.

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

	Fiscal Year									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
REVENUES										
Taxes (see table 5)	$ 14,948,577	$ 15,671,614	$ 14,824,505	$ 14,946,628	$ 14,642,085	$ 14,018,206	$ 13,184,851	$ 13,360,128	$ 14,495,111	$ 16,555,230
Licenses and permits	281,189	185,857	106,293	79,545	113,417	136,096	154,719	162,241	206,895	218,467
Intergovernmental	1,198,059	1,256,711	988,058	820,662	1,322,356	1,066,464	1,160,152	1,906,375	1,704,008	1,720,858
Fines and forfeitures	991,313	929,737	937,734	1,016,568	806,806	502,570	610,990	558,176	588,174	506,898
Charges for services	1,324,183	1,449,018	1,393,637	1,540,489	1,606,705	1,701,018	1,533,935	1,567,169	1,521,140	1,628,177
Contributions and donations	117,835	62,493	61,615	47,836	63,916	48,166	84,131	64,760	136,127	504,459
Investment income	435,174	615,434	261,419	92,483	30,698	7,965	3,852	2,306	2,148	2,776
Miscellaneous	98,457	179,700	38,473	37,758	147,639	17,090	4,215	167,607	217,462	87,254
Total revenues	19,394,787	20,350,564	18,611,734	18,581,969	18,733,622	17,497,575	16,736,845	17,788,762	18,871,065	21,224,119
EXPENDITURES										
General government	2,167,012	2,458,476	2,709,580	2,985,625	2,961,023	3,192,082	2,901,460	5,482,854	2,842,531	3,095,481
Judicial	990,846	1,101,157	1,160,088	1,187,120	1,152,745	1,183,351	1,162,272	1,168,920	1,183,034	1,264,898
Public safety	4,182,382	4,519,721	4,723,188	4,810,568	5,416,228	5,442,968	5,480,230	5,616,211	5,740,403	6,242,972
Public works	1,987,833	1,849,568	2,571,885	2,555,869	1,680,246	2,679,977	2,464,650	2,090,947	1,917,773	2,325,341
Health and welfare	1,692,187	1,742,113	1,791,126	1,616,343	1,603,067	1,347,178	1,452,778	1,352,015	1,354,246	1,816,365
Recreation and culture	771,673	796,297	889,943	1,185,626	931,105	1,585,169	1,021,991	1,049,908	1,241,290	1,880,326
Housing and development	751,833	847,346	725,381	626,148	526,943	533,929	501,665	484,794	504,686	609,851
Intergovernmental	198,978	300,223	264,766	272,291	277,264	285,546	339,315	522,120	530,797	520,799
Capital Outlay	5,597,617	6,847,486	8,869,174	11,664,706	456,345	794,267	545,930	2,864,911	350,867	906,407
Principal on long-term debt	1,576,870	1,915,897	1,104,840	1,144,811	1,219,303	1,326,857	1,412,887	1,417,322	1,617,996	1,681,118
Interest on long-term debt	163,518	681,468	948,678	906,033	835,867	796,810	723,119	771,246	717,980	635,960
Issuance costs on long-term debt	-	302,674	-	-	-	-	-	-	-	-
Total expenditures	20,080,749	23,362,426	25,758,649	28,955,140	17,060,136	19,168,134	18,006,297	22,821,248	18,001,603	20,979,518
Excess of revenues over (under) expenditures	(685,962)	(3,011,862)	(7,146,915)	(10,373,171)	1,673,486	(1,670,559)	(1,269,452)	(5,032,486)	869,462	244,601
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	26,663	729,307	112,708	45,037	5,065	36,978	17,209	73,000	276,252	557,027
Debt premiums and discounts	-	1,015,109	-	-	-	-	-	-	-	-
Proceeds from borrowing	1,000,000	19,067,311	-	-	199,110	129,721	-	2,500,000	105,000	-
Transfers in	1,028,181	2,552,257	869,586	542,600	270,304	266,703	393,196	448,976	373,006	421,029
Transfers out	(1,864,172)	(3,492,285)	(1,748,071)	(967,600)	(900,479)	(766,932)	(1,241,788)	(938,177)	(866,996)	(1,073,295)
Total other financing sources (uses)	190,672	19,871,699	(765,777)	(379,963)	(426,000)	(333,530)	(831,383)	2,083,799	(112,738)	(95,239)
Net change in fund balances	$ (495,290)	$ 16,859,837	$ (7,912,692)	$ (10,753,134)	$ 1,247,486	$ (2,004,089)	$ (2,100,835)	$ (2,948,687)	$ 756,724	$ 149,362
Debt service as a percentage of noncapital expenditures	12.02%	15.73%	12.16%	11.86%	12.38%	11.56%	12.23%	10.97%	13.23%	11.54%

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

	2012	2013	2014	2015	2016
REVENUES					
Taxes	$ 10,366,209	$ 9,661,703	$ 9,914,655	$ 10,995,228	$ 13,105,905
Licenses and permits	136,096	154,719	162,241	206,895	218,467
Intergovernmental	882,093	559,084	1,366,098	956,037	1,108,139
Fines and forfeitures	365,491	505,680	451,470	442,096	405,190
Charges for services	1,412,371	1,239,204	1,253,230	1,209,047	1,312,932
Contributions and Donations	37,085	73,965	51,037	64,185	99,767
Investment income	6,045	2,166	1,811	1,974	2,702
Miscellaneous	16,462	4,215	167,607	217,463	87,254
TOTAL REVENUES	13,221,852	12,200,736	13,368,149	14,092,925	16,340,356
EXPENDITURES					
Current					
General government	3,192,082	2,901,460	5,482,853	2,842,531	3,095,481
Judicial	1,158,985	1,138,962	1,143,982	1,163,220	1,245,438
Public safety	4,740,545	4,661,526	4,803,479	4,882,608	5,170,125
Public works	1,435,250	1,405,049	1,406,654	1,356,215	1,434,335
Health and welfare	1,347,178	1,452,778	1,352,015	1,354,246	1,816,365
Recreation and culture	985,169	1,021,991	1,049,908	1,144,098	1,212,477
Housing and development	507,487	476,473	457,427	477,956	578,908
Capital Outlay	250,572	49,180	108,096	132,291	381,721
Debt Service					
Principal	205,471	234,540	181,908	286,775	296,474
Interest	28,058	13,078	120,272	121,460	106,238
TOTAL EXPENDITURES	13,850,797	13,355,037	16,106,596	13,761,400	15,337,562
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(628,945)	(1,154,301)	(2,738,447)	331,525	1,002,794
OTHER FINANCING SOURCES (USES)					
Proceeds from borrowings	129,721	-	2,500,000	-	-
Proceeds from sale of capital assets	36,978	560	73,000	276,252	557,027
Transfers in	78,853	97,716	60,775	56,770	59,649
Transfers out	(640,112)	(900,879)	(858,266)	(810,226)	(1,013,646)
TOTAL OTHER FINANCING SOURCES (USES)	(394,560)	(802,603)	1,775,509	(477,204)	(396,969)
EXCESS OF REVENUES AND OTHER FINANCING OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(1,023,505)	(1,956,904)	(962,938)	(145,680)	605,824
FUND BALANCES, JANUARY 1	6,772,937	5,749,432	3,792,528	2,829,590	2,683,910
FUND BALANCES, DECEMBER 31	$ 5,749,432	$ 3,792,528	$ 2,829,590	$ 2,683,910	$ 3,289,734

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
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
2014	$ 6,621,300	$ 5,881,798	$ 583,868	$ 115,432	$ 157,730	$ 13,360,128
2015	$ 7,584,350	$ 5,979,548	$ 616,172	$ 155,054	$ 159,987	$ 14,495,111
2016	$ 9,665,734	$ 5,866,917	$ 659,824	$ 189,036	$ 173,719	$ 16,555,230

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
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%
2014	2013	$ 559,351,156	$ 176,917,562	$ 54,403,140	$ 3,712,165	$ 166,587,603	$ 627,796,420	9.490	$ 1,569,491,050	40.00%
2015	2014	$ 674,582,516	$ 193,493,602	$ 46,038,760	$ 3,094,586	$ 190,298,125	$ 726,911,339	9.490	$ 1,817,278,348	40.00%
2016	2015	$ 745,178,206	$ 212,500,179	$ 35,880,630	$ 3,622,382	$ 204,716,389	$ 792,465,008	11.310	$ 1,981,162,520	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	***2005***	***2006***	***2007***	***2008***	***2009***	***2010***	***2011***	***2012***	***2013***	***2014***	***2015***
Fiscal Year	***2006***	***2007***	***2008***	***2009***	***2010***	***2011***	***2012***	***2013***	***2014***	***2015***	***2016***
County - Incorporated	10.700	10.700	8.430	8.350	8.178	8.400	8.990	8.990	9.490	9.490	11.310
County - Unincorporated **(1)**	10.700	10.700	8.430	8.350	8.178	8.400	8.990	8.990	9.490	9.490	11.310
School Operations	16.000	15.985	12.735	12.724	12.461	13.743	15.545	17.701	18.213	16.477	15.436
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.200	0.150	0.100	0.050
Total Incorporated	26.950	26.935	21.415	21.324	20.889	22.393	24.785	26.891	27.853	26.067	26.796
Total Unincorporated	26.950	26.935	21.415	21.324	20.889	22.393	24.785	26.891	27.853	26.067	26.796
Municipalities											
Bostwick	0.970	0.970	0.970	0.970	0.970	1.123	1.235	1.422	1.470	1.401	1.124
Buckhead	2.960	2.960	2.245	2.245	2.105	2.000	2.860	3.314	3.331	3.617	2.413
Madison	3.738	3.995	3.312	3.583	3.577	4.794	5.446	6.351	6.565	6.129	6.227
Madison Commercial Business Light	1.150	1.150	0.809	0.804	0.881	0.962	1.141	1.322	1.464	1.268	1.204
Madison Interstate Light	1.150	1.150	0.809	0.804	0.790	0.843	0.953	1.314	1.432	1.339	1.346
Rutledge	5.000	5.000	3.779	3.779	3.734	3.734	3.734	3.734	3.734	3.737	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	31.950	31.935	25.194	25.103	24.623	27.187	30.231	33.242	34.418	32.196	33.023
Total Unincorporated	26.950	26.935	21.415	21.324	20.889	22.393	24.785	26.891	27.853	26.067	26.796

MORGAN COUNTY, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

	Tax Year 2015			Tax Year 2006		
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-Pacific Wood Products LLC	$ 17,274	1	1.73%	$ 6,572	6	0.76%
Georgia Power Co	9,483	2	0.95%	6,182	2	0.71%
Georgia Transmission Corp.	7,507	3	0.75%			0.00%
Mannington Mills Inc - Madison	12,927	4	1.30%			0.00%
Pennington Seed, Inc.	9,574	5	0.96%	6,731	7	0.00%
Walmart (Zorn, Eric Trustee of)	4,804	6	0.48%			0.00%
Anthony Specialty Glass LLC	6,313	7	0.63%			0.00%
Lowes Home Centers Inc	3,790	8	0.38%	4,365	5	0.00%
C R Bard Inc	3,494	9	0.35%			0.00%
CSX Transportation	3,416	10	0.34%			0.00%
Weyerhaeuser Company	-		0.00%	8,675	1	1.00%
Amtico International, Inc.	-		0.00%	6,339	3	0.73%
Denon Digital LLC	-		0.00%	5,046	4	0.58%
H/S Madlo LLC	-		0.00%			0.00%
Denon Digital Ind	-		0.00%	4,000	9	0.46%
BellSouth	-		0.00%	4,281	8	0.49%
Willms, Arthur	-		0.00%	4,455	10	0.51%
Totals	$ 78,582		7.88%	$ 56,646		6.52%

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	
2007	12/20/2007	$ 8,157	$ 18	$ 301	$ 8,476	$ 7,904	96.90%	$ 572	$ 8,476	100.00%	$ -
2008	12/20/2008	$ 8,185	$ (23)	$ 302	$ 8,464	$ 7,860	96.03%	$ 603	$ 8,463	99.99%	$ 1
2009	12/20/2009	$ 8,179	$ (30)	$ 325	$ 8,474	$ 7,747	94.72%	$ 726	$ 8,473	99.99%	$ 1
2010	12/20/2010	$ 7,364	$ 12	$ 275	$ 7,651	$ 7,158	97.20%	$ 491	$ 7,649	99.97%	$ 2
2011	12/20/2011	$ 6,678	$ 88	$ 229	$ 6,995	$ 6,518	97.60%	$ 472	$ 6,990	99.93%	$ 5
2012	12/20/2012	$ 5,752	$ 56	$ 167	$ 5,975	$ 5,704	99.17%	$ 255	$ 5,959	99.73%	$ 16
2013	12/20/2013	$ 5,904	$ (12)	$ 151	$ 6,043	$ 5,923	100.32%	$ 114	$ 6,037	99.90%	$ 6
2014	12/20/2014	$ 6,800	$ 30	$ 155	$ 6,985	$ 6,835	100.51%	$ 136	$ 6,971	99.80%	$ 14
2015 (2)	11/20/2015 (1)	$ 8,801	$ (34)	$ 128	$ 8,895	$ 8,785	99.82%	$ 30	$ 8,815	99.10%	$ 80
2016 (3)	11/20/2016	$ 294	$ (2)	$ 17	$ 309	$ 306	104.08%	$ -	$ 306	99.03%	$ 3

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) The tax due date was changed from December 20th to November 20th in tax year 2015.

(2) 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 2015 property taxes due November 20, 2015 are reported as revenues in the fiscal year ended June 30, 2016.
Motor vehicle taxes are reported in the fiscal year that they are collected.

(3) Since mobile home taxes are levied in April, they are recorded in the fiscal year that they are levied.
For example the 2016 mobile home taxes are recorded in the year ended June 30, 2016. Likewise for timber and heavy equipment taxes.

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

Fiscal Year	Governmental Activities: Capital Leases	Governmental Activities: Notes Payable	Governmental Activities: Contracts Payable (2)		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2007	$ 789,811	-	$ 1,988,135		$ 2,777,946	0.47%	$ 160
2008	$ 419,423	-	$ 20,453,746	**(3)**	$ 20,873,169	3.27%	$ 1,183
2009	$ 342,878	-	$ 19,312,986		$ 19,655,864	2.94%	$ 1,095
2010	$ 266,518	-	$ 18,137,015		$ 18,403,533	2.84%	$ 1,027
2011	$ 354,940	-	$ 16,926,032		$ 17,280,972	2.77%	$ 966
2012	$ 218,469	$ 88,121	$ 15,680,233		$ 15,986,823	2.43%	$ 893
2013	$ 112,668	-	$ 14,371,204		$ 14,483,872	2.27%	$ 813
2014	$ 72,254	-	$ 15,411,534		$ 15,483,788	2.17%	$ 871
2015	$ 101,033	-	$ 13,794,652		$ 13,895,685	1.85%	$ 774
2016	$ 36,389	-	$ 12,111,109		$ 12,147,498	1.60%	$ 673

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.

(3) 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	Landfill Closure/ Post-closure	Compensated Absences	Net Pension Obligation	Total	Landfill Closure/ Post-closure	Compensated Absences	Total	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2007	$ 196,252		-	$ 196,252	$ 358,509	$ 13,210	$ 371,719	$ 567,971	0.10%	$ 33
2008	$ 192,242		-	$ 192,242	$ 361,657	$ 33,923	$ 395,580	$ 587,822	0.09%	$ 33
2009	$ 258,459		-	$ 258,459	$ 362,196	$ 12,001	$ 374,197	$ 632,656	0.09%	$ 35
2010	$ 268,086		-	$ 268,086	$ 329,227	$ 12,960	$ 342,187	$ 610,273	0.09%	$ 34
2011	$ 269,936	$ 91,548	(2)	$ 361,484	$ 368,920	$ 14,890	$ 383,810	$ 745,294	0.12%	$ 42
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
2014	$ 282,972	$ 90,495		$ 373,467	$ 325,840	$ 18,403	$ 344,243	$ 717,710	0.10%	$ 40
2015	$ 291,418	$ 448,440	(3)	$ 739,858	$ 313,400	$ 13,609	$ 327,009	$ 1,066,867	0.15%	$ 60
2016	$ 314,334	$ 1,710,107		$ 2,024,441	$ 310,100	$ 9,553	$ 319,653	$ 2,344,094	0.33%	$ 132

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) Prior to 2011, the Net Pension Obligation was an asset so the balance is not shown in this table.

(3) The County implemented GASB 68, *Accounting and Financial Reporting for Pensions*, in 2015, resulting in an increase of $315,568 to the net pension liability.

MORGAN COUNTY, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENT ACTIVITIES DEBT
GENERAL OBLIGATION DEBT
June 30, 2016

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	$ 480,000	100.00%	$ 480,000
Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County Bonds	33,772	100.00%	33,772
Morgan County Building Authority	11,597,338	100.00%	11,597,338
Total Intergovernmental Contracts Obligation	12,111,110		12,111,110
Capital Leases			
Capital Leases - Other	36,389	100.00%	36,389
Total Capital Leases	36,389		36,389
Total Direct obligations	12,147,499		12,147,499
Overlapping General Obligation Debt:			
Morgan County School System - Installment Sales Agreement	111,624	100.00%	111,624
City of Madison - Capital lease obligations	778,108	100.00%	778,108
City of Rutledge - GEFA loans	371,126	100.00%	371,126
City of Buckhead - GEFA loans	33,322	100.00%	33,322
City of Bostwick - no overlapping debt	-	100.00%	-
Total Overlapping General Obligation Debt	1,294,180		1,294,180
Total	$ 13,441,679		$ 13,441,679

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, 2016

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	$ 671	$ 12,111,110
Direct debt, Contractual Debt, Notes, and Leases per capita	$ 673	$ 12,147,499
Direct and Contractual Debt, Notes, Leases, and Overlapping Debt per capita	$ 745	$ 13,441,679
Fair Market Value of Taxable Property per capita	$ 138,144	
Grossed Assessed value of property before exemptions	$ 997,181,397	
Net Tax digest for Maintenance and operations	$ 792,465,008	
Estimated Fair Market Value of Taxable Property	$ 2,492,953,493	
Population, estimated 2016	18,046	

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

	Fiscal Year									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Assessed value of property	$ 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	$ 794,384,023	$ 917,209,464	$ 997,181,397
Debt limit (10% of total assessed value)	96,185,706	138,561,691	140,969,825	143,191,911	121,499,468	103,475,115	81,164,207	79,438,402	91,720,946	99,718,140
Amount of Debt applicable to limit:										
General Obligation debt	-	-	-	-	-	-	-	2,397,244	2,189,817	1,972,898
Less: Resources restricted to paying principal	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	2,397,244	2,189,817	1,972,898
Legal debt margin	$ 96,185,706	$ 138,561,691	$ 140,969,825	$ 143,191,911	$ 121,499,468	$ 103,475,115	$ 81,164,207	$ 77,041,159	$ 89,531,129	$ 97,745,242
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%	3.02%	2.39%	1.98%

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)
2007	$ 17,316	$ 594,527,544	$ 34,334	4.4%
2008	$ 17,648	$ 638,310,512	$ 36,169	6.0%
2009	$ 17,958	$ 668,827,752	$ 37,244	9.6%
2010	$ 17,921	$ 646,983,942	$ 36,102	9.9%
2011	$ 17,895	$ 622,853,370	$ 34,806	9.8%
2012	$ 17,906	$ 671,278,034	$ 37,489	8.4%
2013	$ 17,823	$ 702,368,784	$ 39,408	6.9%
2014	$ 17,752	$ 712,121,480	$ 40,115	6.6%
2015	$ 17,956	$ 752,697,564	$ 41,919	5.1%
2016	$ 18,046	$ 760,224,540	$ 42,127	5.4%

Data sources:
(1) US Bureau of the Census; Then projected for 2014
(2) Federal Bureau of Economic Analysis; Based on calendar year 2014
(3) Morgan County Chamber of Commerce

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

	2016			2007[1]		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Board of Education	475	1	5.91%	-		0.00%
Georgia-Pacific Wood Products LLC	450	2	5.60%	-		0.00%
Mannington Mills	350	3	4.36%	-		0.00%
Morgan Memorial Hospital	210	4	2.61%	-		0.00%
Pennington Partners LP	200	5	2.49%	-		0.00%
Wal-Mart	180	6	2.24%	-		0.00%
Morgan County Government	176	7	2.19%	-		0.00%
Bard Manufacturing	150	8	1.87%	-		0.00%
Flambeau	140	9	1.74%	-		0.00%
Lowes Home Centers Inc	120	10	1.49%	-		0.00%
All other employers	5,580		69.48%	-		0.00%
Total	8,031		100.00%	-		0.00%

Data sources:
(1) US Bureau of the Census; Based on calendar year 2015
(2) Federal Bureau of Economic Analysis; Based on calendar year 2014 and projected for calendar year 2015

1. Information is not available for 2007.

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	36.5	36.5	39.0	34.0	32.0	30.0	28.0	28.0	28.0	29.5
Judicial	20.0	20.0	20.0	20.0	19.0	17.0	14.0	18.0	18.0	18.5
Public safety	73.0	73.0	73.0	83.5	87.0	70.0	73.0	71.0	90.5	92.0
Public works	42.0	42.0	42.0	33.5	32.0	32.0	30.0	29.0	35.0	33.0
Health and welfare	9.0	9.0	9.0	9.0	11.0	9.0	9.0	9.0	10.0	12.0
Recreation and culture	7.5	7.5	7.5	7.5	10.0	10.0	10.0	8.0	11.0	10.0
Housing and development	9.5	9.5	9.5	9.0	8.0	5.0	5.0	5.0	5.0	6.5
Total	197.5	197.5	200.0	196.5	199.0	173.0	169.0	168.0	197.5	201.5

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.

2012, 2013, 2014 only included positions filled and not available.

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sheriff										
Accident reports	298	237	272	208	215	286	183	208	160	139
Criminal incidents	543	490	576	418	474	438	499	545	638	506
Deputies/1,000 population	1	1	1	1	1	1	1	1	1	1
Fire										
Calls	469	352	296	320	151	118	109	118	95	151
Judicial										
Marriage license	138	104	145	100	104	91	132	146	134	109
Pistol permits	102	176	399	217	174	213	478	377	395	590
Highways and streets										
Miles of right-of-way mowed	-	-	2,104	1,559	2171	2749	2213	2391	1865	1339
Miles of shoulder work	-	-	134	148	139	321	265	378	510	374
Sanitation										
Refuse collected (tons/year)	20,805	18,858	19,436	16,638	16,364	14,600	14,928	14,734	16,918	20,004
Recyclables collected (tons/year)	322	365	377	343	263	187	184	354	397	362
Parks and recreation										
Adult athletic participants	-	-	-	6,492	3,749	4,105	3,110	5,732	1,610	2,045
Aquatic center participants	-	-	-	21,880	24,187	23,466	22,714	22,616	18,044	15,061
Youth athletic participants	-	-	-	21,060	18,068	20,970	22,980	27,251	16,285	19,100
Senior Center										
Congregate meals	6,263	6,283	6,739	7,470	6,864	6,739	6,818	6,556	6,429	7,150
Home delivered meals	3,970	4,253	5,247	6,686	8,146	8,716	8,770	7,489	6,208	5,550
Transit										
Average daily trips	-	-	91	96	103	103	93	93	90	96
Protective inspection										
Building permits	254	165	93	66	26	59	252	320	281	228

Sources: Various County departments

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

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

	Fiscal Year									
Function	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
General government										
Vehicles	7	7	8	8	8	12	12	12	14	14
Public Safety										
Jail cells	78	78	78	192	192	192	192	192	192	192
K-9 units	1	3	3	2	2	2	2	2	2	1
Fire Stations	13	13	13	13	13	12	12	12	13	13
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	5	5	5	5
Parks and recreation										
Acreage total	120	120	120	120	120	154	154	154	154	242
Swimming pools	-	-	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Baseball fields	9	9	9	8	8	8	8	8	8	8
Soccer fields	1	1	1	1	1	1	1	1	1	1
Playgrounds	7	7	7	5	5	7	7	7	7	7
Libraries	1	1	1	1	1	1	1	1	1	1
Sanitation										
Compactor sites	12	12	12	12	13	13	13	13	13	13

Sources: Various county departments

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INDEPENDENT AUDITORS' 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, 2016

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, 2016, and the related notes to the financial statements, which collectively comprise the MORGAN COUNTY, GEORGIA's basic financial statements, and have issued our report thereon dated December 30, 2016. Our report includes a reference to other auditors who audited the financial statements of the Morgan County Health Department and the 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 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.

Batts, Carter & Co, LLP