

Morgan County, Georgia
Comprehensive Annual Financial Report
For the year ended June 30, 2017

COMPREHENSIVE ANNUAL FINANCIAL REPORT

MORGAN COUNTY, GEORGIA

For The Fiscal Year
July 1, 2016 - June 30, 2017

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

MORGAN COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2017

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

December 29, 2017

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, 2017.

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, 2016. This was the fifth 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 (2016) from the U.S. Census Bureau have the County's population at 18,170 which represents a 1.7% increase since the 2010 decennial census. 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 and has almost reached pre-recession levels from 2008. 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. While we stayed within our policy guidelines to have a minimum fund balance of 15% of operating expenditures, it has been difficult to manage cash flow during certain periods of the year before property taxes are collected. Savings in FY 2017 allowed us to add over $800,000 to unreserved fund balance which increased our reserves to over 22% of operating expenditures.

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

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 FY2017, 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,

Adam Mestres, MPA
County Manager

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, 2016

Executive Director/CEO

Morgan County, Georgia
Government Officials

Board of Commissioners

Donald B. Harris, Chairman	Commissioner District 1
Andy Ainslie	Commissioner District 2
Ben M. Riden Jr.	Commissioner District 3
Philipp von Hanstein	Commissioner District 4
Ronald H. Milton, Vice Chair	Commissioner District 5

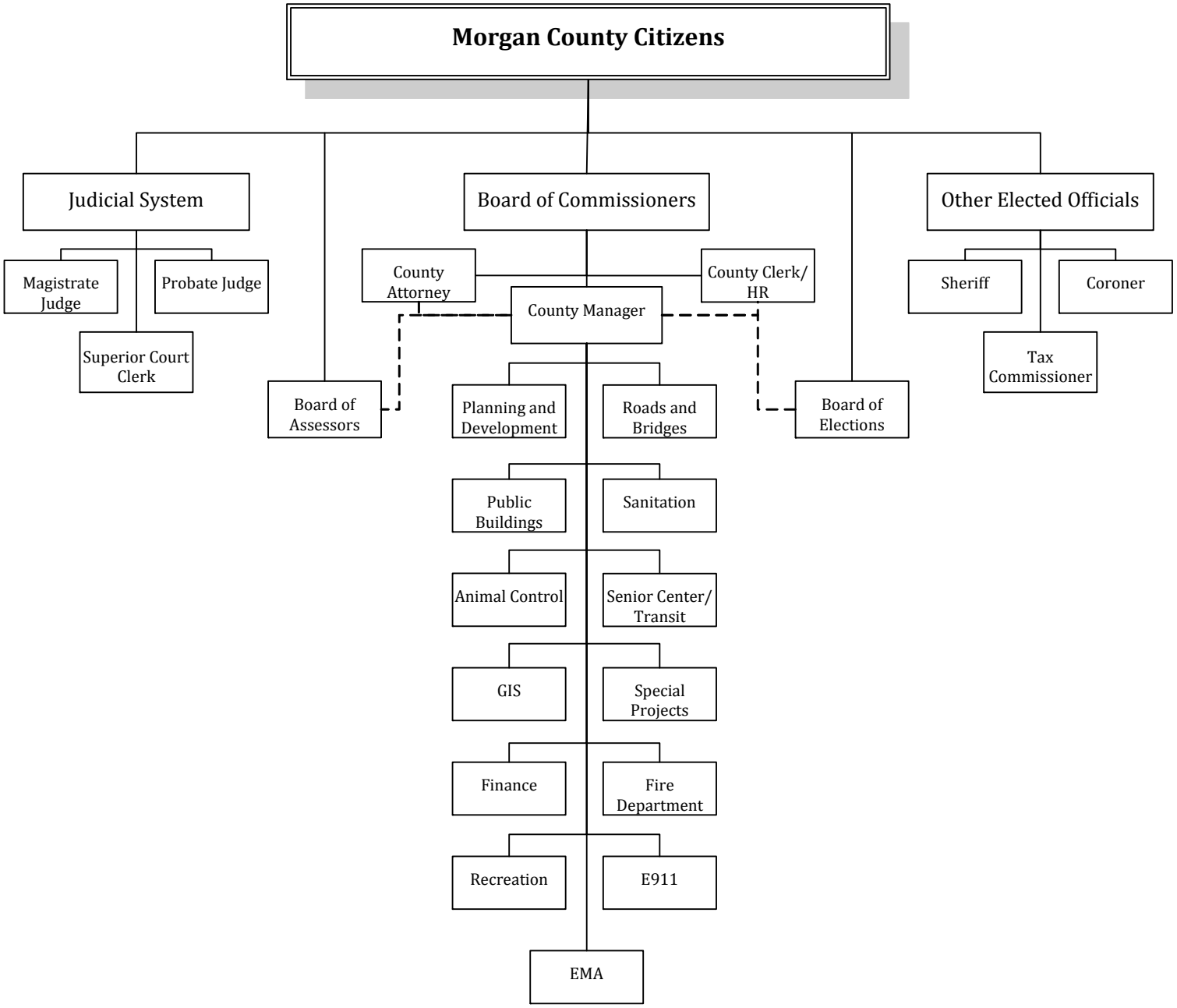
Elected Officials

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

Administration

Adam Mestres	County Manager
Mark Williams	Assistant County Manager
Jane Laseter	County Clerk

Morgan County Organizational Chart



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GAINESVILLE, GEORGIA 30503
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INDEPENDENT AUDITORS' REPORT
December 29, 2017

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, 2017, 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, as of and for the year then ended June 30, 2017, which represent 7% and 93%, respectively, of the assets; 3% and 97%, respectively, of the net position; and 4% and 96%, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have 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 soley 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, 2017, 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 29, 2017, 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.

Batts, 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, 2017. 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, 2017.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2017 by $56,673,703 (Net Position). Of this amount, $2,812,946 is considered unrestricted and can be used to meet the County's ongoing obligations.

- The County's total net position increased by $1,335,919 (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 54-62 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 14-48 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 49-51 and a schedule of budgetary comparisons for the general fund on pages 52 and 53. Combining and individual fund statements and schedules can be found on pages 54-62 of this report, and Schedules of Projects Constructed with Special Purpose Local Option Sales Tax can be found on page 63-64.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

During fiscal year 2017, Morgan County, on an entity-wide basis, net position increased $1,335,919. Governmental activities increase $261,684 which is primarily attributed to a decrease in SPLOST expenditures from prior year and a decreased contribution to the Hospital Authority of $378,000. The increase in net position for business type activities of $81,776 was due to additional funds transferred in from General Fund to cover the cost of new equipment purchased for Solid Waste.

The County had total Net Position of $56,673,703, of which $51,012,661, 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	
	2017	2016	2017	2016	2017	2016
Capital assets (net of depreciation)	$ 61,916,314	$ 63,642,359	$ 570,336	$ 472,887	$ 62,486,650	$ 64,115,246
Current and other assets	10,319,472	6,536,321	(86,732)	1,378	10,232,740	6,537,699
Total Assets	72,235,786	70,178,680	483,604	474,265	72,719,390	70,652,945
Total deferred outflows of resources	1,932,843	412,577	-	-	1,932,843	412,577
Long-term liabilities	17,111,379	14,171,939	292,431	319,653	17,403,810	14,491,592
Other liabilities	504,439	1,120,650	70,281	115,496	574,720	1,236,146
Total liabilities	17,615,818	15,292,589	362,712	435,149	17,978,530	15,727,738
Total deferred inflows of resources	-	-	-	-	-	-
Net Position:						
Net investment in capital assets	50,442,325	53,981,530	570,336	472,887	51,012,661	54,454,417
Restricted	2,848,096	270,536	-	-	2,848,096	270,536
Unrestricted	3,262,390	1,046,602	(449,444)	(433,771)	2,812,946	612,831
Total net position	$ 56,552,811	$ 55,298,668	$ 120,892	$ 39,116	$ 56,673,703	$ 55,337,784

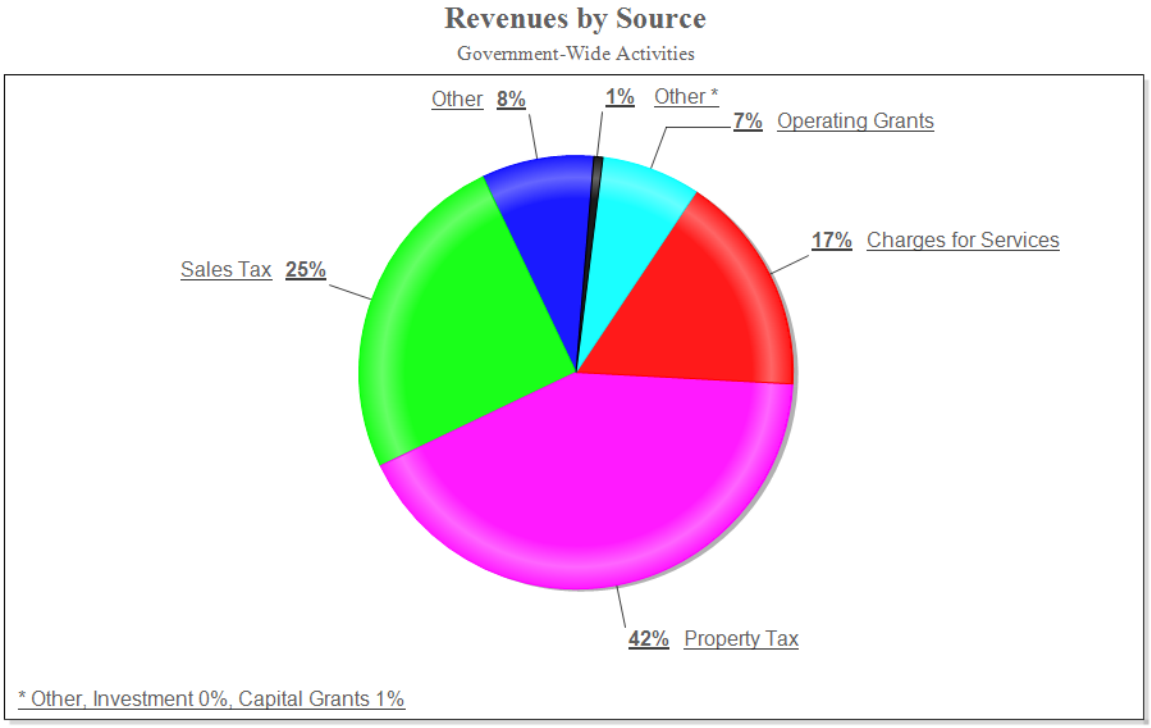
Total government-wide revenue for fiscal year 2017 was $22,896,218. Of this amount, $22,227,829 was in governmental activities and $668,389 in business-type activities. The chart below shows the distribution of total primary government revenues.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program revenues						
Charges for Services	$ 3,123,075	$ 2,534,412	$ 668,389	$ 573,781	$ 3,791,464	$ 3,108,193
Operating Grants and Contributions	1,691,927	1,416,513	-	-	1,691,927	1,416,513
Capital Grants and Contributions	135,081	36,946	-	-	135,081	36,946
Subtotal for Program Revenues	4,950,083	3,987,871	668,389	573,781	5,618,472	4,561,652
General revenues						
Property Taxes	9,594,745	9,665,734	-	-	9,594,745	9,665,734
Sales Taxes	5,760,421	5,866,917	-	-	5,760,421	5,866,917
Other Taxes	1,094,085	1,022,579	-	-	1,094,085	1,022,579
Unrestricted Investment Earnings	2,421	2,776	-	-	2,421	2,776
Grants and Contributions not restricted to a specific program	800,052	771,861	-	-	800,052	771,861
Gain on sale of capital assets	26,022	436,579	-	-	26,022	436,579
Subtotal for General Revenues	17,277,746	17,766,446	-	-	17,277,746	17,766,446
Total Revenues	22,227,829	21,754,317	668,389	573,781	22,896,218	22,328,098
EXPENSES						
Program expenses						
General Government	3,618,446	3,834,066	-	-	3,618,446	3,834,066
Judicial	1,350,216	1,375,689	-	-	1,350,216	1,375,689
Public Safety	7,512,414	7,650,554	-	-	7,512,414	7,650,554
Public Works	4,768,071	5,087,333	-	-	4,768,071	5,087,333
Health & Welfare	1,521,092	1,907,219	-	-	1,521,092	1,907,219
Recreation & Culture	1,232,289	2,003,869	-	-	1,232,289	2,003,869
Housing and Development	653,749	670,970	-	-	653,749	670,970
Interest and Paying Agent Fees	569,746	568,892	-	-	569,746	1,138,638
Sewer	-	-	40,940	80,504	40,940	80,504
Solid Waste	-	-	1,285,795	1,158,133	1,285,795	1,158,133
Total expenses	21,226,023	23,098,592	1,326,735	1,238,637	22,552,758	24,337,229

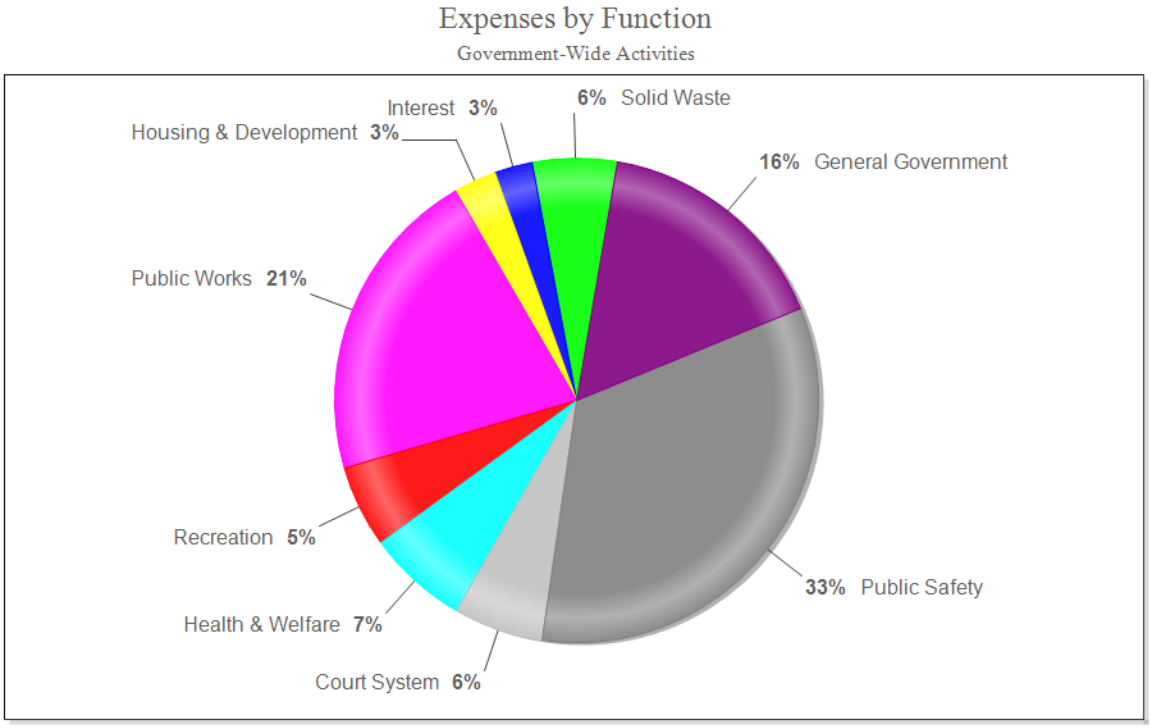
Change in Net Position before Transfers	1,001,806	(1,344,275)	(658,346)	(664,856)	343,460	(2,009,131)
Transfers	(740,122)	(652,266)	740,122	652,266	-	-
Change in Net Position	261,684	(1,996,541)	81,776	(12,590)	343,460	(2,009,131)
Net Position, beginning of year	55,298,668	57,295,209	39,116	51,706	55,337,784	57,346,915
Change in Accounting Principle	992,459	-	-	-	992,459	-
Net Position, beginning as restated	56,291,127	57,295,209	39,116	51,706	56,330,243	57,346,915
Net Position, end of year	$ 56,552,811	$ 55,298,668	$ 120,892	$ 39,116	$ 56,673,703	$ 55,337,784

General Revenues such as Property Taxes and Local Option Sales Tax supplement the Governmental Activities. General Government required $2,333,201, Judicial required $612,522, Public Safety required $6,889,409, Public Works required $4,097,092, Health and Welfare required $1,057,080, Recreation required $899,592, and Housing and Development required $(182,702) of General Revenues.



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

Government-wide expenses were $22,552,758 for 2017, of which $21,226,023 were for governmental activities and $1,326,735 for business-type activities. The chart below shows further detail of total primary government expenses.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

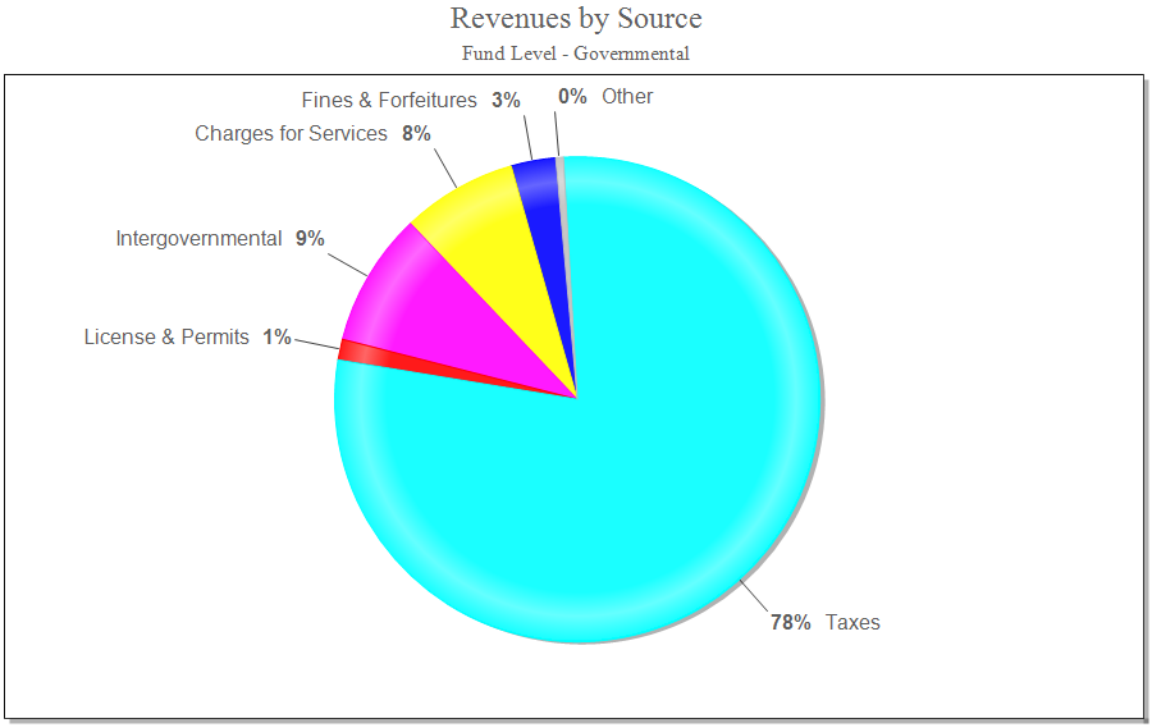
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 $6,389,234, which is $3,782,313 more than last year's total. The increase in the SPLOST fund balance was $359,429, which was due to less being spent on projects in FY17. Prior year some projects were completed with funds borrowed from General Fund and will be repaid when SPLOST revenues are collected. The fund balance in the General Fund increased by $845,324. There was a savings from positions funded but not filled as well as $378,000 less given to the Hospital Authority which had been originally budgeted.

In 2017, Governmental revenues decreased $(299,257) from fiscal year 2016. This is primarily due to a decrease in Contributions and Donations from Private Sources which was a result of a public/private partnership that was completed in FY 2016. Property taxes decreased $(98,512), which was due to a decrease in penalties and interest collected in FY 2017.

The total amount of sales tax revenue for fiscal year 2017 was $5,760,421, which is a (1.8)% decrease from fiscal year 2016. The Transportation Funding Act of 2015 changed the way fuel was taxed which caused a decrease in sales tax collected. Lower cost of fuel has also contributed to the decrease.



Expenditures in the governmental funds totaled $20,039,454, which is a decrease of $(940,064) from fiscal year 2016. Expenditures for the General Fund of $14,627,650, decreased $709,912. The decrease from the previous year was due to open positions in Jail, Sheriff, and Roads and Bridges not being filled throughout the year and the supplement to Hospital Authority decreased by $378,000. The General fund transferred $740,122 and $409,334 to Solid Waste and E911 funds, respectively, to subsidize operations this year. The County expenditures in SPLOST funds of $3,475,575, decreased $(1,270,128) from the prior year which was due to private/public partnership to build a new farmer's market in Morgan County which was completed in prior year. Land was also purchased in prior year to be used as new site for Park & Recreation Complex.

In fiscal year 2017, the governmental funds of the Government reported a combined fund balance of 6,389,234. This was an increase compared to prior year fund balance of 2,606,921. The increase is from Bond Proceeds which will be used in FY 2018 and FY 2019 for various projects throughout the County.

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 2017, business-type activities reported income of $81,776. Solid Waste Fund had a slight increase in net position from 57,369 to 128,422. 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 $629,550 in 2016, to $740,122 in 2017 in order to purchase a new roll-off truck used to transport bins at the dumpster sites.

A non-major Sewer Fund was added in fiscal year 2016. Fiscal year 2017 had income of $10,723 which help off-set the cost of the prior year loss the County incurred to take over the 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, 2017 was $-, 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 2017 were $1.94 million. Major capital asset activities in fiscal year 2017 were:

In Governmental Activities:

- Roll-off truck for Solid Waste $151,312.
- Ten vehicles for Sheriff's Department, two Transit vans, $562,024
- Machinery & Equipment for various other departments $374,322
- Donated subdivision roads and right of way $510,842

Long-term debt. At June 30, 2017, Morgan County governmental activities had outstanding debt of $17,111,379. Of this amount $422,315 is from seven cars for Sheriff's Department and Machinery and Equipment for E911 capital leases, $13,643,429 is from contracts payable, $2,755,614 is from the net pension obligation, and $290,021 is from compensated absences payable. See note 7 for more details. Payments of $54,991 were made on capital leases. Payments of $11,366,617 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 52 and 53.

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

Actual revenue of $16,622,428 and expenditures of $15,777,104 resulted in a $845,345 increase in fund balance. Actual revenue was $124,826 less than the final budget which was due to less collected in TAVT and Motor Vehicle Tax than anticipated based on prior year collections. Expenditures were also under the final budget by $968,762. This was due to savings from positions funded but not filled and funds budgeted for contingency but not used.

ECONOMIC FACTORS AND THE 2018 BUDGET

The economic outlook for 2018 is expected to be consistent with fiscal year 2017. The overall general fund budget is an increase of only $680,518 over the prior year. Commissioners elected to leave the millage rate at 11.194 mills and not take the rollback millage rate due to expected increase in expenditures. Employee benefits are expected to increase by almost $300,000 due to

a $1,500 cost of living increase for all full-time employees. Market values for real and personal property have continued to increase and the overall digest is back to 2010 market values . The unemployment rate in Morgan County is a little above 4.6% 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
As of June 30, 2017

	PRIMARY GOVERNMENT			
ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
Cash	$ 5,629,762	$ -	$ 5,629,762	$ 2,295,028
Investments	-	-	-	50,000
Receivables	941,145	89,776	1,030,921	1,586,333
Internal balances	181,370	(181,370)	-	-
Inventories	20,478	-	20,478	193,000
Prepaid items	287,122	4,862	291,984	95,000
Investment in joint venture	3,259,595	-	3,259,595	-
Restricted assets:				
Cash	-	-	-	364,000
Non-current assets:				
Receivables	-	-	-	26,000
Capital assets:				
Capital assets not being depreciated	10,738,689	284,864	11,023,553	4,166,000
Capital assets being depreciated	105,297,925	1,307,033	106,604,958	9,580,813
Less: accumulated depreciation	(54,120,300)	(1,021,561)	(55,141,861)	(8,358,395)
Capital assets, net of depreciation	61,916,314	570,336	62,486,650	5,388,418
TOTAL ASSETS	72,235,786	483,604	72,719,390	9,997,779
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	426,702	-	426,702	-
Pension expense	1,506,141	-	1,506,141	113,952
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,932,843	-	1,932,843	113,952
TOTAL ASSETS & DEFERRED OUTFLOWS	74,168,629	483,604	74,652,233	10,111,731
LIABILITIES				
Accounts payable	252,287	66,194	318,481	693,232
Other accrued items	108,540	4,087	112,627	544,000
Due to other governments	90,970	-	90,970	-
Unearned revenue	27,642	-	27,642	-
Amounts held in trust	25,000	-	25,000	-
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	203,015	6,777	209,792	-
Accrued landfill closure / postclosure	-	27,450	27,450	-
Capital leases payable	126,321	-	126,321	-
Revenue bonds payable	-	-	-	105,000
Contracts payable	2,312,930	-	2,312,930	-
Due in more than one year				
Compensated absences payable	87,006	2,904	89,910	37,080
Net pension liability	2,755,614	-	2,755,614	462,115
Accrued landfill closure / postclosure	-	255,300	255,300	-
Capital leases payable	295,994	-	295,994	-
Contracts payable	11,330,499	-	11,330,499	-
TOTAL LIABILITIES	17,615,818	362,712	17,978,530	1,841,427
DEFERRED INFLOWS OF RESOURCES				
Pension expense	-	-	-	20,601
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	20,601
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	17,615,818	362,712	17,978,530	1,862,028
NET POSITION				
Net investment in capital assets	50,442,325	570,336	51,012,661	5,283,418
Restricted for:				
Debt service	-	-	-	208,000
Capital outlay projects	2,566,900	-	2,566,900	-
Judicial programs	29,815	-	29,815	-
Public safety programs	217,441	-	217,441	-
Health and welfare programs	33,940	-	33,940	156,000
Unrestricted	3,262,390	(449,444)	2,812,946	2,602,285
TOTAL NET POSITION	$ 56,552,811	$ 120,892	$ 56,673,703	$ 8,249,703

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

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	$ 3,618,446	$ 778,305	$ 506,940	$ -	$ (2,333,201)	$ -	$ (2,333,201)	$ -
Judicial	1,350,216	737,694	-	-	(612,522)	-	(612,522)	-
Public safety	7,512,414	445,673	177,332	-	(6,889,409)	-	(6,889,409)	-
Public works	4,768,071	3,633	667,346	-	(4,097,092)	-	(4,097,092)	-
Public health and welfare	1,521,092	25,017	303,914	135,081	(1,057,080)	-	(1,057,080)	-
Recreation and culture	1,232,289	296,302	36,395	-	(899,592)	-	(899,592)	-
Housing and development	653,749	836,451	-	-	182,702	-	182,702	-
Interest	569,746	-	-	-	(569,746)	-	(569,746)	-
Total Governmental Activities	21,226,023	3,123,075	1,691,927	135,081	(16,275,940)	-	(16,275,940)	-
BUSINESS-TYPE ACTIVITIES								
Solid waste/recycling	1,285,795	616,726	-	-	-	(669,069)	(669,069)	-
Sewer fund	40,940	51,663	-	-	-	10,723	10,723	-
Total Business-Type Activities	1,326,735	668,389	-	-	-	(658,346)	(658,346)	-
TOTAL PRIMARY GOVERNMENT	$ 22,552,758	$ 3,791,464	$ 1,691,927	$ 135,081	(16,275,940)	(658,346)	(16,934,286)	-
COMPONENT UNITS								
Health Department	$ 613,062	$ 263,432	$ 458,366	$ -	-	-	-	108,736
Hospital Authority	14,038,000	13,892,000	1,080,000	2,175,000	-	-	-	3,109,000
TOTAL COMPONENT UNITS	$ 14,651,062	$ 14,155,432	$ 1,538,366	$ 2,175,000	-	-	-	3,217,736
GENERAL REVENUES								
Property taxes					9,594,745	-	9,594,745	-
Sales taxes					5,760,421	-	5,760,421	-
Insurance premium taxes					702,159	-	702,159	-
Real estate recording taxes					209,579	-	209,579	-
Other taxes					182,347	-	182,347	-
Total taxes					16,449,251	-	16,449,251	-
Unrestricted investment earnings					2,421	-	2,421	4,885
Grants and contributions not restricted to a specific program					800,052	-	800,052	-
Gain on sale of capital assets					26,022	-	26,022	-
TRANSFERS					(740,122)	740,122	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					16,537,624	740,122	17,277,746	4,885
CHANGES IN NET POSITION					261,684	81,776	343,460	3,222,621
NET POSITION, Beginning					55,298,668	39,116	55,337,784	5,027,082
PRIOR PERIOD ADJUSTMENT					992,459	-	992,459	-
NET POSITION, Beginning as restated					56,291,127	39,116	56,330,243	5,027,082
NET POSITION, Ending					$ 56,552,811	$ 120,892	$ 56,673,703	$ 8,249,703

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2017

ASSETS	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash	$ 1,876,071	$ 672,268	$ 3,081,422	$ 5,629,761
Receivables	601,625	286,624	52,895	941,144
Interfund receivables	1,858,374	-	-	1,858,374
Prepaid items	286,095	-	1,027	287,122
Inventories	20,478	-	-	20,478
TOTAL ASSETS	$ 4,642,643	$ 958,892	$ 3,135,344	$ 8,736,879
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 186,832	$ 18,989	$ 46,465	$ 252,286
Other accrued items	101,908	-	6,632	108,540
Due to other governments	-	90,970	-	90,970
Interfund payables	-	1,442,853	234,151	1,677,004
Unearned revenue	27,642	-	-	27,642
Amounts held in trust	25,000	-	-	25,000
TOTAL LIABILITIES	341,382	1,552,812	287,248	2,181,442
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	166,203	-	-	166,203
TOTAL DEFERRED INFLOWS OF RESOURCES	166,203	-	-	166,203
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	507,585	1,552,812	287,248	2,347,645
FUND BALANCES				
Nonspendable:				
Prepaid expenditure	286,095	-	1,027	287,122
Inventories	20,478	-	-	20,478
Restricted:				
Capital outlay projects	-	-	2,566,900	2,566,900
Judicial programs	-	-	29,815	29,815
Public safety programs	-	-	216,414	216,414
Health and welfare programs	-	-	33,940	33,940
Unassigned:	3,828,485	(593,920)	-	3,234,565
TOTAL FUND BALANCES	4,135,058	(593,920)	2,848,096	6,389,234
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 4,642,643	$ 958,892	$ 3,135,344	$ 8,736,879

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
As of June 30, 2017

Total Fund Balances for Governmental Funds (page 3)		$ 6,389,234
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.		61,916,314
Some assets are not available in the current period and therefore are not reported in the funds.		
Investment in joint venture	3,259,595	
		3,259,595
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		
Property Taxes	166,203	
		166,203
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	(2,755,614)	
Compensated absences	(290,021)	
Capital leases	(422,315)	
Contracts payable	(13,643,429)	
Net deferred inflows(outflows)- pension expense	1,506,141	
		(15,605,238)
Rounding		1
Total net position of governmental activities (page 1)		$ 56,126,109
CHECK TOTAL-S/B ZERO		426,702

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, 2017

	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	$ 13,031,480	$ 3,329,724	$ 53,074	$ 16,414,278
Licenses and permits	277,920	-	-	277,920
Intergovernmental	1,306,806	505,280	72,182	1,884,268
Fines and forfeitures	473,204	-	150,475	623,679
Charges for services	1,298,407	-	315,550	1,613,957
Contributions and donations	60,582	-	14,862	75,444
Investment income	2,315	-	107	2,422
Miscellaneous	25,446	-	-	25,446
TOTAL REVENUES	16,476,160	3,835,004	606,250	20,917,414
EXPENDITURES				
Current Expenditures				
General government	2,958,188	-	-	2,958,188
Judicial	1,246,878	-	23,994	1,270,872
Public safety	5,211,635	207,765	807,960	6,227,360
Public works	1,421,954	641,136	2,500	2,065,590
Public health and welfare	1,456,860	-	-	1,456,860
Recreation and culture	1,126,622	-	-	1,126,622
Housing and development	571,492	-	31,806	603,298
Intergovernmental	-	511,346	-	511,346
Capital outlay	216,203	35,693	870,766	1,122,662
Debt service				
Principal	321,617	1,666,389	18,601	2,006,607
Interest	96,201	413,246	180,602	690,049
TOTAL EXPENDITURES	14,627,650	3,475,575	1,936,229	20,039,454
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	1,848,510	359,429	(1,329,979)	877,960
OTHER FINANCING SOURCES (USES)				
Sale of county property	26,022	-	-	26,022
Issuance of refunding bonds	-	-	3,177,536	3,177,536
Issuance of capital leases	-	-	440,917	440,917
Transfers in	120,248	-	409,334	529,582
Transfers out	(1,149,456)	-	(120,248)	(1,269,704)
TOTAL OTHER FINANCING SOURCES (USES)	(1,003,186)	-	3,907,539	2,904,353
NET CHANGE IN FUND BALANCES	845,324	359,429	2,577,560	3,782,313
FUND BALANCES, Beginning of year	3,289,734	(953,349)	270,536	2,606,921
FUND BALANCES, End of year	$ 4,135,058	$ (593,920)	$ 2,848,096	$ 6,389,234

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, 2017

Net change in fund balances (page 5)		$ 3,782,313
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	1,122,662	
Depreciation expense	(3,516,053)	
		(2,393,391)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	166,203	
Donated assets	667,346	
Deferred rent revenue	(3,000)	
Investment in joint venture	3,259,595	
		4,090,144
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(131,230)	
Investment in joint venture	(2,674,520)	
		(2,805,750)
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.		
Proceeds from borrowing including premiums and discounts	(3,618,453)	
Principal payments on long-term debt	2,006,607	
Amortization of bond premium and discounts	120,302	
		(1,491,544)
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	(290,021)	
Compensated absences, prior year	314,334	
		24,313
Net pension liability is not available during the current period and therefore is not reported in the funds.		
End of year	(2,755,614)	
Beginning of year	1,710,107	
		(1,045,507)
Contributions made after pension measurement date and changes in pension plan investments are reported in deferred outflows.		
End of year	1,506,141	
Beginning of year	(1,405,036)	
		101,105
Rounding		1
Changes in net position of governmental activities (page 2)		$ 261,684

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of June 30, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	SOLID WASTE DISPOSAL FACILITY	NON-MAJOR SEWER FUND	TOTAL
ASSETS			
Current Assets			
Receivables	$ 77,243	$ 12,533	$ 89,776
Prepaid items	4,862	-	4,862
TOTAL CURRENT ASSETS	82,105	12,533	94,638
Noncurrent Assets			
Capital assets			
Capital assets not being depreciated	284,864	-	284,864
Capital assets being depreciated	1,307,033	-	1,307,033
Less: accumulated depreciation	(1,021,561)	-	(1,021,561)
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	570,336	-	570,336
TOTAL NONCURRENT ASSETS	570,336	-	570,336
TOTAL ASSETS	652,441	12,533	664,974
LIABILITIES			
Current Liabilities			
Accounts payable	64,994	1,200	66,194
Other accrued items	4,087	-	4,087
Interfund payables	162,507	18,863	181,370
Compensated absences payable	6,777	-	6,777
Accrued landfill closure/postclosure	27,450	-	27,450
TOTAL CURRENT LIABILITIES	265,815	20,063	285,878
Noncurrent Liabilities			
Compensated absences payable	2,904	-	2,904
Accrued landfill closure/postclosure	255,300	-	255,300
TOTAL NONCURRENT LIABILITIES	258,204	-	258,204
TOTAL LIABILITIES	524,019	20,063	544,082
NET POSITION			
Net investment in capital assets	570,336	-	570,336
Unrestricted	(441,914)	(7,530)	(449,444)
TOTAL NET POSITION	$ 128,422	$ (7,530)	$ 120,892

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, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	SOLID WASTE DISPOSAL FACILITY	NON-MAJOR SEWER FUND	TOTAL
OPERATING REVENUES			
Charges for sales and services:			
Pledged as security for revenue bonds:			
Sewer connection fees	$ -	$ 7,500	$ 7,500
Sewer Sales	-	44,163	44,163
Charges for services-other	616,726	-	616,726
Total Operating Revenues	616,726	51,663	668,389
OPERATING EXPENSES			
Salaries and benefits	315,460	-	315,460
Other services and charges	111,923	40,940	152,863
Landfill closure/postclosure costs	(10,000)	-	(10,000)
Depreciation	53,863	-	53,863
Waste disposal fees	717,807	-	717,807
Professional fees	72,179	-	72,179
Repairs and maintenance	24,563	-	24,563
Total Operating Expenses	1,285,795	40,940	1,326,735
OPERATING INCOME (LOSS)	(669,069)	10,723	(658,346)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(669,069)	10,723	(658,346)
Transfer in	740,122	-	740,122
CHANGE IN NET POSITION	71,053	10,723	81,776
TOTAL NET POSITION, Beginning of year	57,369	(18,253)	39,116
TOTAL NET POSITION, End of year	$ 128,422	$ (7,530)	$ 120,892

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, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	SOLID WASTE DISPOSAL FACILITY	NON-MAJOR SEWER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customer	$ 595,661	$ 56,297	$ 651,958
Payments to suppliers	(869,522)	(56,297)	(925,819)
Payments to employees	(314,949)	-	(314,949)
Net cash provided by (used in) operating activities	(588,810)	-	(588,810)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	740,122	-	740,122
Net Cash provided (used) by non-capital financing activities	740,122	-	740,122
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(151,312)	-	(151,312)
Net cash provided (used) by capital and related financing activities	(151,312)	-	(151,312)
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)	$ (669,069)	$ 10,723	$ (658,346)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	53,863	-	53,863
(Increase) decrease in:			
Accounts receivable	(21,065)	4,634	(16,431)
Prepaid expenses	1,713	-	1,713
Increase (decrease) in:			
Accounts payable	(41,377)	(4,221)	(45,598)
Compensated absences	128	-	128
Accrued landfill costs	(27,350)	-	(27,350)
Other accrued items	383	-	383
Interfund payables	113,964	(11,136)	102,828
Net cash provided by (used in) operating activities	$ (588,810)	$ -	$ (588,810)

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
As of June 30, 2017

	BRASWELL FUND PRIVATE PURPOSE TRUST FUND	AGENCY FUNDS
ASSETS		
Cash	$ 21,526	$ 603,787
Investments:		
Common stocks	28,797	-
Mutual funds, equities	217,566	-
Mutual funds, debt securities	48,852	-
TOTAL ASSETS	316,741	603,787
LIABILITIES		
Due to other agencies	-	603,787
TOTAL LIABILITIES	-	603,787
NET POSITION		
Restricted for orphan care	316,741	-
TOTAL NET POSITION	$ 316,741	$ -

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, 2017

	BRASWELL FUND PRIVATE PURPOSE TRUST FUND
ADDITIONS	
Investment earnings	
Interest earned	$ 9
Dividend income	10,379
Net change in fair value of investments	32,774
Total investment earnings	43,162
Interest and investment expense	(3,706)
Net investment earnings	39,456
TOTAL ADDITIONS	39,456
DEDUCTIONS	
Tuition	14,000
Administrative expenses	5,665
TOTAL DEDUCTIONS	19,665
CHANGE IN NET POSITION	19,791
NET POSITION, Beginning of year	296,950
NET POSITION, End of year	$ 316,741

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
As of June 30, 2017

	HEALTH DEPARTMENT	HOSPITAL AUTHORITY	TOTAL
ASSETS			
Cash	$ 580,028	$ 1,715,000	$ 2,295,028
Investments	-	50,000	50,000
Receivables (net of allowance for uncollectibles)	57,333	1,529,000	1,586,333
Inventories	-	193,000	193,000
Prepaid items	-	95,000	95,000
Restricted assets:			
Cash	-	364,000	364,000
Non-current assets:			
Receivables	-	26,000	26,000
Capital assets:			
Capital assets not being depreciated	-	4,166,000	4,166,000
Capital assets being depreciated	99,813	9,481,000	9,580,813
Less: accumulated depreciation	(67,395)	(8,291,000)	(8,358,395)
Capital assets, net of depreciation	32,418	5,356,000	5,388,418
TOTAL ASSETS	669,779	9,328,000	9,997,779
DEFERRED OUTFLOWS OF RESOURCES			
Pension expense	113,952	-	113,952
TOTAL DEFERRED OUTFLOWS OF RESOURCES	113,952	-	113,952
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	783,731	9,328,000	10,111,731
LIABILITIES			
Accounts payable	24,232	669,000	693,232
Other accrued items	-	544,000	544,000
Noncurrent liabilities:			
Due within one year			
Revenue bonds payable	-	105,000	105,000
Due in more than one year			
Compensated absences payable	37,080	-	37,080
Net pension liability	462,115	-	462,115
TOTAL LIABILITIES	523,427	1,318,000	1,841,427
DEFERRED INFLOWS OF RESOURCES			
Pension expense	20,601	-	20,601
TOTAL DEFERRED INFLOWS OF RESOURCES	20,601	-	20,601
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	544,028	1,318,000	1,862,028
NET POSITION			
Net investment in capital assets	32,418	5,251,000	5,283,418
Restricted for:			
Debt service		208,000	208,000
Public health and welfare	-	156,000	156,000
Unrestricted	207,285	2,395,000	2,602,285
TOTAL NET POSITION	$ 239,703	$ 8,010,000	$ 8,249,703

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, 2017

		.....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	$ 613,062	$ 263,432	$ 458,366	$ -	$ 108,736	$ -	$ 108,736
Hospital Authority	14,038,000	13,892,000	1,080,000	2,175,000	-	3,109,000	3,109,000
TOTAL COMPONENT UNITS	$ 14,651,062	$ 14,155,432	$ 1,538,366	$ 2,175,000	108,736	3,109,000	3,217,736
GENERAL REVENUES							
Unrestricted investment earnings					885	4,000	4,885
TOTAL GENERAL REVENUES AND TRANSFERS					885	4,000	4,885
CHANGES IN NET POSITION					109,621	3,113,000	3,222,621
NET POSITION, Beginning					130,082	4,897,000	5,027,082
NET POSITION, Ending					$ 239,703	$ 8,010,000	$ 8,249,703

The accompanying notes are an integral part of this statement.

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 (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the 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 2017, the County transferred $620,000 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 2017, 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 Braswell Fund, a testamentary trust fund, is the private-purpose trust fund. The Fund is restricted to the use of educating orphaned children who reside in the County.
>
> *Agency funds* are custodial in nature and do not represent results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Tax Commissioner, Clerk of Court, Probate Court, Magistrate Court, and Sheriff holds for others in an agency capacity.

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

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

Proprietary funds distinguish operating revenues and expenses from 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 2016 taxes were levied August 20, 2016, and were due November 15, 2016. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien after March 20, 2017.

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 2017 was $393,845. None of these costs were capitalized in 2017.

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 aquisition value rather than 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 two items that qualify for reporting in this category. These two items consist of the deferred charge on refunding and deferred charge in pension expense. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amortization is part of the interest expense for the year. The deferred charge in pension expense represents differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability and changes of assumptions about future economic or demographic factors or of other inputs. These deferred outflows will be recognized in pension expense using a systematic and rational method over a closed five-year period, beginning in the current reporting period.

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 one source: property taxes.

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, 2017, are as follows:

Net investment in capital assets	Governmental Activities	Business-type Activities
Cost of capital assets	$ 116,036,614	$ 1,591,897
Less accumulated depreciation	(54,120,300)	(1,021,561)
Book value	61,916,314	570,336
Less capital related debt	(11,473,989)	-
Net investment in capital assets	$ 50,442,325	$ 570,336

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 $17,403,810 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 Capital Projects Fund	
Capital outlay projects - For funds received from issuance of bonds that has not been spent	$ 2,566,900
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.	29,815
Subtotal - Restricted for Judicial Programs	
Public Safety Programs -	
Emergency E911 Telephone Services Fund - For fund to operate the E911 center as restricted by the OCGA-46-5.	5,769
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.	131,718
Sheriff's Law Enforcement - to account for funds from seizures to be used for law enforcement activities.	78,927
Subtotal - Restricted for Public Safety Programs	216,414
Health and Welfare Programs -	
Restricted Programs Fund - To account for funds received from surcharges on fines and forfeitures restricted for youth enrichment activities.	33,940
Total Restricted Fund Balance	$ 2,847,069

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, 2017, the SPLOST fund had a fund balance deficit of $(593,920), 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, 2017, the Sewer fund had a fund balance deficit of $(7,530), which resulted from start up costs related to the new utility fund that will be made back in fiscal year 2018.

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 FDIC insured limit in making deposits in commercial banks and savings and loans institutions if the funds are otherwise adequately secured. As of June 30, 2017, all deposits of the County were insured or collateralized.

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. State statutes require collateral pledged in the amount of 110% of deposits.

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. State statutes require collateral pledged in the amount of 110% of deposits under the single bank pooled method or at least 100% of amounts greater than 20% of the daily pool balnce held by any one covered depository under the multibank pooled method.

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 FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation of the United States government. 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, 2017, 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, 2017, the Braswell Fiduciary Fund held 10% of the total investments in common stocks of the Southern Company.

As of June 30, 2017, the Braswell Fiduciary Fund had the following investments:

Investment Type	FMV Level 1	Rating	Rating Agency	Weighted Average Maturity (Years)
Common Stocks	$ 28,797	n/a	n/a	n/a
Mutual Funds	217,566	n/a	n/a	n/a
Subtotal Equity Securities	246,363			
Mutual Fund Debt Securities	48,852	BB	Morningstar	5.00
Total Investments	$ 295,215			

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	$ 166,203	$ -	$ -	$ -	$ -
Accounts	35,279	-	49,916	77,243	12,533
Intergovernmental	400,143	286,624	2,979	-	-
Total Gross Receivables	601,625	286,624	52,895	77,243	12,533
Less: Allowance for Uncollectibles	-	-	-	-	-
Total Net Receivables	$ 601,625	$ 286,624	$ 52,895	$ 77,243	$ 12,533

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)	$ 166,203	$ -	$ 166,203
Deferred rent revenue (General Fund)	-	27,642	27,642
Total unearned revenue for governmental funds	$ 166,203	$ 27,642	$ 193,845

Property taxes receivable at June 30, 2017, consist of the following:

DIGEST YEAR	GENERAL FUND
2017[(1)]	$ 3,547
2016	114,227
2015	20,954
2014	8,304
2013	7,374
2012	7,913
2011	1,087
2010	1,025
2009	586
2008	289
2007	120
2006	58
2005	669
2004	39
2003	(179)
2002	-
2001 & prior	190
Total	$ 166,203

(1) 2017 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	$ 20,352	$ 4,690,000
Intergovernmental	36,981	295,000
Total Gross Receivables	57,333	4,985,000
Less: Allowance for Uncollectibles	-	(3,456,000)
Total Net Receivables	$ 57,333	$ 1,529,000

NOTE 6 - CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital asset activity for the year ended June 30, 2017, was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 10,281,534	$ 156,504	$ -	$ -	$ 10,438,038
Construction in progress	10,580	290,071	-	-	300,651
Total non-depreciable capital assets	10,292,114	446,575	-	-	10,738,689
Depreciable Assets:					
Land improvements	533,415	-	-	-	533,415
Buildings and improvements	35,615,646	31,683	-	-	35,647,329
Machinery and equipment	3,998,194	178,485	(230,639)	-	3,946,040
Vehicles	5,786,440	622,422	(28,840)	-	6,380,022
Infrastructure	58,280,277	510,842	-	-	58,791,119
Total depreciable capital assets	104,213,972	1,343,433	(259,479)	-	105,297,925
Less Accumulated Depreciation for:					
Land improvements	400,143	24,147	-	-	424,290
Buildings and improvements	9,424,781	901,716	-	-	10,326,497
Machinery and equipment	3,033,431	250,651	(230,639)	-	3,053,443
Vehicles	4,881,506	305,569	(28,840)	-	5,158,235
Infrastructure	33,123,865	2,033,970	-	-	35,157,835
Total accumulated depreciation	50,863,726	3,516,053	(259,479)	-	54,120,300
Total depreciable capital assets, net	53,350,246	(2,172,620)	-	-	51,177,625
Governmental activities capital assets, net	$ 63,642,360	$ (1,726,045)	$ -	$ -	$ 61,916,314

Additions to governmental activities capital assets for fiscal year ending June 30, 2017, consist of the following:

Capital Outlay	$ 1,122,662
Donated Assets	667,346
Total	$ 1,790,008
Non-depreciable capital assets additions	$ 446,575
Depreciable capital assets additions	1,343,433
Total	$ 1,790,008

	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	151,312	-	-	452,218
Total depreciable capital assets	1,155,721	151,312	-	-	1,307,033
Less Accumulated Depreciation for:					
Land improvements	76,830	11,091	-	-	87,921
Buildings	99,088	4,982	-	-	104,070
Equipment	490,873	32,747	-	-	523,620
Vehicles	300,906	5,044	-	-	305,950
Total accumulated depreciation	967,697	53,864	-	-	1,021,561
Total depreciable capital assets, net	188,024	97,448	-	-	285,472
Business-type activities capital assets, net	$ 472,888	$ 97,448	$ -	$ -	$ 570,336

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

Governmental Activities:	
General Government	$ 404,644
Public Safety	937,393
Public Works	2,070,228
Public Health and Welfare	35,028
Recreation and Culture	64,280
Housing and Development	4,480
Total depreciation expense-governmental activities	$ 3,516,053
Business-type Activities:	
Solid Waste	$ 53,864

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, 2017, 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	$ 106,576	$ -	$ 1,861,424	SPLOST/Bonds
E-911 Computer-Aided Dispatch System	270,000	194,075		75,925	SPLOST/Bonds
Total	$ 2,238,000	$ 300,651	$ -	$ 1,937,349	

DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended June 30, 2017, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Machinery and equipment	$ 84,844	$ 14,969	$ -	$ 99,813
Less Accumulated Depreciation for:				
Machinery and equipment	(59,353)	(8,042)	-	(67,395)
Capital Assets, net	$ 25,491	$ 6,927	$ -	$ 32,418

Activity for the *Hospital Authority* for the year ended June 30, 2017, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities:				
Non-Depreciable Assets:				
Land	$ 5,000	$ 1,950,000	$ -	$ 1,955,000
Construction in progress	2,053,000	158,000	-	2,211,000
Total Non-Depreciable Assets	2,058,000	2,108,000	-	4,166,000
Depreciable Assets:				
Land improvements	61,000	-	-	61,000
Buildings and improvements	3,681,000	-	-	3,681,000
Equipment	5,727,000	12,000	-	5,739,000
Total Depreciable assets	9,469,000	12,000	-	9,481,000
Less Accumulated Depreciation for:				
Land improvements	(61,000)	-	-	(61,000)
Buildings and improvements	(3,007,000)	(55,000)	-	(3,062,000)
Equipment	(5,058,000)	(110,000)	-	(5,168,000)
Total accumulated depreciation	(8,126,000)	(165,000)	-	(8,291,000)
Total depreciable capital assets, net	1,343,000	(153,000)	-	1,190,000
Capital Assets, net	$ 3,401,000	$ 1,955,000	$ -	$ 5,356,000

NOTE 7 - LONG TERM DEBT

Long-term liability activity for the year ended June 30, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Capital leases	$ 36,389	$ 440,917	$ (54,991)	$ 422,315	$ 126,321	$ 295,994
Contracts payable	11,901,670	11,920,000	(11,366,617)	12,455,053	1,997,224	10,457,829
Plus: Original issue Premiums	209,440	1,476,087	(497,151)	1,188,376	315,706	872,670
Subtotal Contracts Payable	12,111,110	13,396,087	(11,863,768)	13,643,429	2,312,930	11,330,499
Net pension liability	1,710,107	1,661,024	(615,517)	2,755,614	-	2,755,614
Compensated absences	314,334	195,721	(220,034)	290,021	203,015	87,006
Governmental activities long-term liabilities	$ 14,171,940	$ 15,693,749	$ (12,754,310)	$ 17,111,379	$ 2,642,266	$ 14,469,113
Business-type Activities:						
Compensated absences	$ 9,552	$ 6,815	$ (6,686)	$ 9,681	$ 6,777	$ 2,904
Landfill closure/postclosure	310,100	27,350	(54,700)	282,750	27,450	255,300
Business-type activities long-term liabilities	$ 319,652	$ 34,165	$ (61,386)	$ 292,431	$ 34,227	$ 258,204

CAPITAL LEASES

The County leases certain equipment under non-cancelable capital leases. The leases relate to E911 Center equipment. This year, $53,438 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
Vehicles	$ 439,033
Machinery and equipment	230,917
Less: Accumulated Depreciation	(74,438)
Total	$ 595,512

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

Year Ending June 30,	Governmental Activities
2018	$ 138,428
2019	138,428
2020	138,428
2021	28,966
2022	4,827
Total minimum lease payments	449,077
Less: amount representing interest (1.11% - 3.95%)	(26,762)
Present value of minimum lease payments	$ 422,315

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, 2017, is $2,600,000 with Morgan County's share being $390,000.

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 in 2020. The variable interest rate as of June 30, 2017 is 0.20%. The annual requirements to amortize the JDA bond using terms in effect as of June 30, 2017, are as follows:

Year ending, June 30,	Principal	Interest	Total
2018	$ 90,000	$ 4,095	$ 94,095
2019	90,000	3,150	93,150
2020	105,000	2,205	107,205
2021	105,000	1,103	106,103
Total	$ 390,000	$ 10,553	$ 400,553

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, 2017 is $29,002.

The annual requirements to amortize the GEFA loan using terms in effect as of June 30, 2017, are as follows:

Year ending June 30,	Principal	Interest	Total
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	6,010	248	6,258
2023	1,546	18	1,564
Total	$ 29,002	$ 3,851	$ 32,853

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. These bonds were fully refunded by the Series 2016 Refunding Bonds.

On August 25, 2016, the County entered into an intergovernmental contract with the Morgan County Building Authority for $11,920,000 to refund the Jail building bonds and fund various County projects. The County is to make annual payments. Interest rates vary from 2% to 5%. The refunding reduced the aggregate debt services payments by $320,938 and resulted in an economic gain (the difference between the present value of old and new debt service payments) of about $311,417. The accounting loss on the refunding was approximately $530,008. This loss was deferred and is being amortized over the remaining life of the new debt in accordance with GASB No. 23 using the effective interest rate method. The outstanding balance of this debt at June 30, 2017 is $10,290,000.

The annual requirements to amortize the Series 2016 Refunding Bonds using terms in effect as of June 30, 2017, are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	$ 1,665,000	$ 451,850	$ 2,116,850
2019	1,725,000	401,900	2,126,900
2020	1,800,000	332,900	2,132,900
2021	1,900,000	242,900	2,142,900
2022	1,990,000	147,900	2,137,900
2023	1,210,000	120,400	1,330,400
Total	$ 10,290,000	$ 1,697,850	$ 11,987,850

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, 2017 is $1,746,051.

The annual requirements to amortize general obligation bonds using terms in effect as of June 30, 2017, are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	$ 237,229	$ 74,606	$ 311,835
2019	248,085	63,750	311,835
2020	259,439	52,396	311,835
2021	271,312	40,523	311,835
2022	283,729	28,106	311,835
2023	446,257	17,628	463,885
Total	$ 1,746,051	$ 277,009	$ 2,023,060

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, 2017, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 30,914	$ 25,437	$ (19,271)	$ 37,080	$ -	$ 37,080
Net Pension Liability	398,536	63,579	-	462,115	-	462,115
Total Governmental activities	$ 429,450	$ 89,016	$ (19,271)	$ 499,195	$ -	$ 499,195

Long-term debt activity for the Hospital Authority for the year ended June 30, 2017, was as follows:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Bonds	$ 205,000	$ -	$ (100,000)	$ 105,000	$ 105,000	$ -
Total long-term liabilities	$ 205,000	$ -	$ (100,000)	$ 105,000	$ 105,000	$ -

The terms and due dates of the Hospital Authority's long-term debt, including capital lease obligations, at June 30, 2017, 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, 2017, are as follows:

Year Ending June 30,	Bonds and notes payable		
	Principal	Interest	Total
2018	105,000	3,000	108,000
Total	$ 105,000	$ 3,000	$ 108,000

NOTE 8 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of June 30, 2017, is as follows:

Due To	Due From				
	SPLOST	Other Nonmajor Governmental Funds	Solid Waste Disposal Facility	Sewer Fund	Total Due from Other Funds
General Fund	$ 1,442,853	$ 234,151	$ 162,507	$ 18,863	$ 1,858,374
Total Due to Other Funds	$ 1,442,853	$ 234,151	$ 162,507	$ 18,863	$ 1,858,374

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, 2017, are as follows:

Transfers Out	Transfers in			
	General Fund	Other Nonmajor Governmental Funds	Solid Waste Disposal Facility	Total Transfers Out
General Fund	$ -	$ 409,334	$ 740,122	$ 1,149,456
Nonmajor Governmental Funds	120,248	-	-	120,248
Total - Transfers in	$ 120,248	$ 409,334	$ 740,122	$ 1,269,704

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 December 31, 2016, (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	68
Terminated plan participants entitled to but not yet receiving benefits	66
Active employees participating in the Plan	127
Total number of Plan participants	261
Covered compensation for active participants	$ 4,594,012
Contributions as a percentage of covered-employee payroll	11.20 %

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 December 31, 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 December 31, 2016 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary Increases	4.0% - 5.5%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation. Revised to 7.25% as of December 31, 2016.

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 December 31, 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 %	3.07%
Domestic large equities	30.00	1.97
Domestic mid equities	5.00	0.86
Domestic small equities	5.00	0.30
REIT	5.00	0.52
International	15.00	0.47
Multi cap	5.00	0.51
Global allocation	5.00	0.58
TOTAL	100.00 %	

* Rates shown are net of the 2.00% assumed rate of inflation

The discount rate used to measure the total pension liability was 7.25%. 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, 2015	$ 12,644,954	$ 10,934,847	$ 1,710,107
Changes for the year:			
Service cost	383,448	-	383,448
Interest	929,802	-	929,802
Liability Experience (Gain)/Loss	543,521	-	543,521
Assumption Change	410,947	-	410,947
Contribution-employer	-	514,412	(514,412)
Net investment income	-	792,440	(792,440)
Benefit payments	(495,192)	(495,192)	-
Administrative expense	-	(28,349)	28,349
Other charges	-	(56,292)	56,292
Net changes	1,772,526	727,019	1,045,507
Balances at December 31, 2016	$ 14,417,480	$ 11,661,866	$ 2,755,614

The following presents the County's net pension liability calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1 % Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's net pension liability	$ 4,598,370	$ 2,755,614	$ 1,215,353

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, 2017, the County recognized pension expense of $944,402. At June 30, 2017, 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
Changes of assumptions	520,602	-
Net difference between projected and actual earnings on pension plan investments	985,539	-
TOTAL	$ 1,506,141	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2018	$ 487,138
2019	487,138
2020	412,775
2021	119,092
2022	-
Thereafter	-

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 $149,080 ($75,682 employer and $73,398 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, 2017, 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, 2017, 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, 2017:

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, 2017.

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 $17,956 to the NEGRC for the year ended June 30, 2017. 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, 2017, the County has recorded a liability for the Highway 441 Landfill of $282,750, 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 2017. 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, 2017, 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, 2017, the County had receipts of $53,074 and spent $31,806 to promote tourism, conventions, and trade shows. Of this amount, $17,627 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 $3,259,595, 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 2017, 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.

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.

NOTE 17 - TAX ABATEMENTS

The County enters into property tax abatement agreements with local businesses under the Georgia Development Authority Law, adopted in 1969, for the purpose of attracting or retaining businesses within the County. The abatements may be granted to any business located within or promising to relocate to the County and meeting the eligibility criteria to "develop and promote trade, commerce, industry, and employment opportunities for the public good and general welfare and to promote the general welfare of the state" (OCGA 36-62-9). The abatements are provided through a direct reduction of the business' property tax bill. The Georgia law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill its commitment, however, a memorandum of understanding is issued for each abatement outlining the terms in which a recapture would apply. The County has tax abatement agreements with two different entities as of June 30, 2017.

Purpose	Percentage of taxes abated during the fiscal year	Amount of taxes abated during the fiscal year	Abatement Ends
Retain over 400 jobs	100% of real property	$ 8,772	2031
Retain over 400 jobs	100% of personal property	109,599	2031
Facility expansion	93.33% of real property	23,215	2030
Facility expansion	93.33% of personal property	12,970	2030
Facility expansion	100% of personal property	119,488	2031
	Total amount of taxes abated:	$ 274,044	

The County has not made any commitments as part of the agreements other than to reduce taxes. The County is not currently subject to any tax abatement agreements entered into by other governmental entities.

NOTE 18 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment to deferred outflows related to pensions increased governmental net position by $992,459. This adjustment was necessary to properly disclose deferred outflows related to pension plan investments.

MORGAN COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY -
ACCG MORGAN COUNTY DEFINED BENEFIT PLAN
For the Year Ended June 30, 2017
"Unaudited"

For the Year Ended June 30,	2017	2016	2015
Net pension liability	$ 2,755,614	$ 1,710,107	$ 448,440
Covered-employee payroll	$ 4,594,012	$ 4,107,807	$ 4,000,721
Net pension liability as a percentage of its covered-employee payroll	59.98%	41.63%	11.21%
Total pension liability	$ 14,417,480	$ 12,644,954	$ 11,445,083
Plan fiduciary net position	$ 11,661,866	$ 10,934,847	$ 10,996,642
Plan fiduciary net position as a percentage of the total pension liability	80.90%	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, 2017
"Unaudited"

For the Year Ended June 30,	2017	2016	2015
Contractually required contribution	$ 537,857	$ 412,577	$ 386,231
Contributions in relation to the contractually required contribution	514,412	412,577	386,231
Contribution deficiency (excess)	$ 23,445	$ -	$ -
County's covered-employee payroll	$ 4,594,012	$ 4,107,807	$ 4,000,721
Contributions as a percentage of covered-employee payroll	11.20%	10.04%	9.65%

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 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ACCG MORGAN COUNTY DEFINED BENEFIT PLAN
For the Year Ended June 30, 2017
"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, 2017 reported in that schedule:

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, open
Remaining Amortization period	29 years
Asset Valuation method	Five-year smoothed market
Inflation Rate	2.00%
Salary Increases	4.0%-5.5%, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation.

MORGAN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2017
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 3,289,734	$ 3,289,734	$ 3,289,734	$ -
RESOURCES (INFLOWS)				
Taxes	13,253,915	13,253,915	13,031,480	(222,435)
Licenses and permits	202,100	202,100	277,920	75,820
Intergovernmental	1,200,557	1,335,639	1,306,806	(28,833)
Fines and forfeitures	440,000	440,000	473,204	33,204
Charges for services	1,366,300	1,366,300	1,298,407	(67,893)
Contributions and donations	59,100	59,100	60,582	1,482
Investment income	1,700	1,700	2,313	613
Miscellaneous	30,500	30,500	25,446	(5,054)
Sale of county property	-	-	26,022	26,022
Transfers in	58,000	58,000	120,248	62,248
Total Resources (Inflows)	16,612,172	16,747,254	16,622,428	(124,826)
AMOUNTS AVAILABLE FOR APPROPRIATION	19,901,906	20,036,988	19,912,162	(124,826)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Board of commissioners	79,491	92,491	82,951	9,540
County manager	236,500	228,000	204,413	23,587
County clerk	73,402	74,502	73,673	829
Elections	178,389	179,889	138,409	41,480
Finance	497,022	301,438	256,684	44,754
Law	83,000	83,000	74,939	8,061
Management information	575,497	558,247	464,653	93,594
Human resources	66,643	67,043	63,657	3,386
Tax commissioner	259,793	261,293	255,125	6,168
Tax assessor	452,540	454,540	439,326	15,214
Risk management	185,000	211,288	211,287	1
General government buildings	667,302	651,802	641,323	10,479
Records management	12,693	13,193	11,771	1,422
General administration fees	21,700	21,700	21,360	340
Board of equalization	30,317	30,317	18,616	11,701
Total General Government	3,419,289	3,228,743	2,958,187	270,556
Judicial				
Ocmulgee Circuit	26,993	26,993	26,899	94
Clerk of superior court	480,493	486,993	477,038	9,955
District attorney	75,668	75,668	75,222	446
Magistrate court	315,321	317,321	310,309	7,012
Probate court	272,626	274,626	270,321	4,305
Juvenile court	27,940	27,940	27,940	-
Public defender	62,772	62,772	59,148	3,624
Total Judicial	1,261,813	1,272,313	1,246,877	25,436
Public Safety				
Sheriff	2,138,945	2,013,945	1,956,247	57,698
Jail operation	1,727,274	1,737,274	1,693,514	43,760
Fire administration	973,097	978,097	914,174	63,923
Ambulance	317,005	317,005	310,253	6,752
Coroner/Medical Examiner	36,117	36,117	25,286	10,831
Emergency Management Agency	76,836	80,336	79,277	1,059
Animal control	281,487	289,487	285,452	4,035
Total Public Safety	5,550,761	5,452,261	5,264,203	188,058
Public Works				
Highways and streets	1,294,112	1,304,462	1,291,791	12,671
Maintenance and shop	140,892	131,792	130,163	1,629
Total Public Works	1,435,004	1,436,254	1,421,954	14,300

MORGAN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2017
(Required Supplementary Information)

CONTINUED.....

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Public Health and Welfare				
Senior citizens center	279,391	279,691	273,758	5,933
Transportation services	330,198	474,177	452,291	21,886
D.F.A.C.S.	45,902	45,902	45,902	-
Advantage behavioral	26,862	26,862	26,862	-
Health care facilities	1,170,000	1,170,000	790,000	380,000
Total Public Health and Welfare	1,852,353	1,996,632	1,588,813	407,819
Recreation and Culture				
Parks and recreation	932,842	970,026	942,065	27,961
Library	216,240	216,240	216,240	-
Total Recreation and Culture	1,149,082	1,186,266	1,158,305	27,961
Housing and development				
Soil conservation	15,958	15,958	15,880	78
Forestry services	30,260	30,260	30,260	-
Building inspection	205,468	205,468	190,010	15,458
Planning and zoning	180,156	180,156	162,840	17,316
County agent	124,367	136,282	134,502	1,780
Development authority	38,000	38,000	38,000	-
Total Housing and Development	594,209	606,124	571,492	34,632
Debt service	404,205	419,205	417,817	1,388
Transfers out	945,456	1,149,456	1,149,456	-
TOTAL CHARGES TO APPROPRIATIONS	16,612,172	16,747,254	15,777,104	968,762
CHANGE IN FUND BALANCE	-	-	845,324	845,324
FUND BALANCE, End of year	$ 3,289,734	$ 3,289,734	$ 4,135,058	$ 845,324

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
As of June 30, 2017

	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	$ -	$ 177,444	$ -	$ 28,900	$ 78,927	$ 285,271	$ 2,796,151	$ 3,081,422
Receivables (net of allowance for uncollectibles)	47,170	214	4,596	915	-	52,895	-	52,895
Prepaid items	1,027	-	-	-	-	1,027	-	1,027
TOTAL ASSETS	$ 48,197	$ 177,658	$ 4,596	$ 29,815	$ 78,927	$ 339,193	$ 2,796,151	$ 3,135,344
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	$ 10,606	$ 12,000	$ 2,306	$ -	$ -	$ 24,912	$ 21,553	$ 46,465
Other accrued items	6,632	-	-	-	-	6,632	-	6,632
Interfund payables	24,163	-	2,290	-	-	26,453	207,698	234,151
TOTAL LIABILITIES	41,401	12,000	4,596	-	-	57,997	229,251	287,248
FUND BALANCES								
Nonspendable:								
Prepaid expenditure	1,027	-	-	-	-	1,027	-	1,027
Restricted:								
Capital outlay projects	-	-	-	-	-	-	2,566,900	2,566,900
Judicial programs	-	-	-	29,815	-	29,815	-	29,815
Public safety programs	5,769	131,718	-	-	78,927	216,414	-	216,414
Health and welfare programs	-	33,940	-	-	-	33,940	-	33,940
TOTAL FUND BALANCES	6,796	165,658	-	29,815	78,927	281,196	2,566,900	2,848,096
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 48,197	$ 177,658	$ 4,596	$ 29,815	$ 78,927	$ 339,193	$ 2,796,151	$ 3,135,344

MORGAN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	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	$ -	$ -	$ 53,074	$ -	$ -	$ 53,074	$ -	$ 53,074
Intergovernmental	71,982	-	-	-	200	72,182	-	72,182
Fines and forfeitures	-	86,318	-	28,975	35,182	150,475	-	150,475
Charges for services	312,412	-	-	-	3,138	315,550	-	315,550
Contributions and donations	-	-	-	-	14,862	14,862	-	14,862
Investment income	-	19	-	-	75	94	13	107
TOTAL REVENUES	384,394	86,337	53,074	28,975	53,457	606,237	13	606,250
EXPENDITURES								
Current Expenditures								
Judicial	-	-	-	23,994	-	23,994	-	23,994
Public safety	764,211	24,004	-	-	19,745	807,960	-	807,960
Public works	-	-	-	-	-	-	2,500	2,500
Housing and development	-	-	31,806	-	-	31,806	-	31,806
Capital outlay	125,917	-	-	-	15,745	141,662	729,104	870,766
Debt service								
Principal	18,601	-	-	-	-	18,601	-	18,601
Interest	5,537	-	-	-	-	5,537	175,065	180,602
TOTAL EXPENDITURES	914,266	24,004	31,806	23,994	35,490	1,029,560	906,669	1,936,229
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(529,872)	62,333	21,268	4,981	17,967	(423,323)	(906,656)	(1,329,979)
OTHER FINANCING SOURCES (USES)								
Refunding bond proceeds	-	-	-	-	-	-	3,177,536	3,177,536
Capital lease proceeds	125,917	-	-	-	-	125,917	315,000	440,917
Transfers in	409,334	-	-	-	-	409,334	-	409,334
Transfers out	-	(80,000)	(21,268)	-	-	(101,268)	(18,980)	(120,248)
TOTAL OTHER FINANCING SOURCES (USES)	535,251	(80,000)	(21,268)	-	-	433,983	3,473,556	3,907,539
NET CHANGE IN FUND BALANCES	5,379	(17,667)	-	4,981	17,967	10,660	2,566,900	2,577,560
FUND BALANCES, Beginning of year	1,417	183,325	-	24,834	60,960	270,536	-	270,536
FUND BALANCES, End of year	$ 6,796	$ 165,658	$ -	$ 29,815	$ 78,927	$ 281,196	$ 2,566,900	$ 2,848,096

MORGAN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND
For the Year Ended June 30, 2017

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 1,417	$ 1,417	$ 1,417	$ -
RESOURCES (INFLOWS)				
Intergovernmental	132,000	132,000	71,982	(60,018)
Charges for services	322,000	322,000	312,412	(9,588)
Capital lease proceeds	-	125,917	125,917	-
Transfer in	405,334	409,334	409,334	-
Total Resources (Inflows)	859,334	989,251	919,645	(69,606)
AMOUNTS AVAILABLE FOR APPROPRIATION	860,751	990,668	921,062	(69,606)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	859,334	989,251	914,266	74,985
TOTAL CHARGES TO APPROPRIATIONS	859,334	989,251	914,266	74,985
CHANGE IN FUND BALANCE	-	-	5,379	5,379
FUND BALANCE, End of year	$ 1,417	$ 1,417	$ 6,796	$ 5,379

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, 2017

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 183,325	$ 183,325	$ 183,325	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	90,000	90,000	86,318	(3,682)
Investment income	-	-	19	19
Total Resources (Inflows)	90,000	90,000	86,337	(3,663)
AMOUNTS AVAILABLE FOR APPROPRIATION	273,325	273,325	269,662	(3,663)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	45,000	25,000	24,004	996
Public health and welfare	5,000	-	-	-
Transfers out	40,000	80,000	80,000	-
TOTAL CHARGES TO APPROPRIATIONS	90,000	105,000	104,004	996
CHANGE IN FUND BALANCE	-	(15,000)	(17,667)	(2,667)
FUND BALANCE, End of year	$ 183,325	$ 168,325	$ 165,658	$ (2,667)

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, 2017

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Taxes	40,000	54,000	53,074	(926)
Total Resources (Inflows)	40,000	54,000	53,074	(926)
AMOUNTS AVAILABLE FOR APPROPRIATION	40,000	54,000	53,074	(926)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development	27,000	32,000	31,806	194
Transfers out	13,000	22,000	21,268	732
TOTAL CHARGES TO APPROPRIATIONS	40,000	54,000	53,074	926
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, 2017

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 24,834	$ 24,834	$ 24,834	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	35,000	35,000	28,975	(6,025)
Total Resources (Inflows)	35,000	35,000	28,975	(6,025)
AMOUNTS AVAILABLE FOR APPROPRIATION	59,834	59,834	53,809	(6,025)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	35,000	35,000	23,994	11,006
TOTAL CHARGES TO APPROPRIATIONS	35,000	35,000	23,994	11,006
CHANGE IN FUND BALANCE	-	-	4,981	4,981
FUND BALANCE, End of year	$ 24,834	$ 24,834	$ 29,815	$ 4,981

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, 2017

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 60,960	$ 60,960	$ 60,960	$ -
RESOURCES (INFLOWS)				
Intergovernmental	50,000	50,000	200	(49,800)
Fines and forfeitures	-	-	35,182	35,182
Charges for services	-	-	3,138	3,138
Contributions and donations	-	-	14,862	14,862
Investment income	-	-	75	75
Total Resources (Inflows)	50,000	50,000	53,457	3,457
AMOUNTS AVAILABLE FOR APPROPRIATION	110,960	110,960	114,417	3,457
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	50,000	50,000	35,490	14,510
TOTAL CHARGES TO APPROPRIATIONS	50,000	50,000	35,490	14,510
CHANGE IN FUND BALANCE	-	-	17,967	17,967
FUND BALANCE, End of year	$ 60,960	$ 60,960	$ 78,927	$ 17,967

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, 2017

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash	$ 280,304	$ 183,513	$ 62,332	$ 6,810	$ 70,828	$ 603,787
TOTAL ASSETS	$ 280,304	$ 183,513	$ 62,332	$ 6,810	$ 70,828	$ 603,787
LIABILITIES						
Amounts held in trust	$ 280,304	$ 183,513	$ 62,332	$ 6,810	$ 70,828	$ 603,787
TOTAL LIABILITIES	$ 280,304	$ 183,513	$ 62,332	$ 6,810	$ 70,828	$ 603,787

MORGAN COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2017

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash						
Balance, July 1, 2016	$ 286,081	$ 281,996	$ 33,203	$ 6,206	$ 87,871	$ 695,357
Additions	27,470,783	1,081,627	695,699	359,086	205,624	29,812,819
Deductions	(27,476,560)	(1,180,110)	(666,570)	(358,482)	(222,667)	(29,904,389)
Balance, June 30, 2017	280,304	183,513	62,332	6,810	70,828	603,787
TOTAL ASSETS	$ 280,304	$ 183,513	$ 62,332	$ 6,810	$ 70,828	$ 603,787
LIABILITIES						
Due to County						
Balance, July 1, 2016	$ -	$ -	$ -	$ -	$ -	$ -
Additions	10,627,753	470,090	436,638	78,497	57,916	11,670,894
Deductions	(10,627,753)	(470,090)	(436,638)	(78,497)	(57,916)	(11,670,894)
Balance, June 30, 2017	-	-	-	-	-	-
Amounts held in trust						
Balance, July 1, 2016	286,081	281,996	33,203	6,206	87,871	695,357
Additions	16,843,030	611,537	259,061	280,589	147,708	18,141,925
Deductions	(16,848,807)	(710,020)	(229,932)	(279,985)	(164,751)	(18,233,495)
Balance, June 30, 2017	280,304	183,513	62,332	6,810	70,828	603,787
Total Liabilities						
Balance, July 1, 2016	286,081	281,996	33,203	6,206	87,871	695,357
Additions	27,470,783	1,081,627	695,699	359,086	205,624	29,812,819
Deductions	(27,476,560)	(1,180,110)	(666,570)	(358,482)	(222,667)	(29,904,389)
TOTAL LIABILITIES	$ 280,304	$ 183,513	$ 62,332	$ 6,810	$ 70,828	$ 603,787

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 30,2017

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	Year 5 2017	Total
LEVEL 1 COUNTY PROJECTS								
Debt Service Public Safety Complex	$ 12,000,000	$ 12,000,000	$ 1,491,506	$ 1,847,013 (3)	$ 1,844,513 (4)	$ 1,849,133	$ 2,041,782	$ 9,073,947
								-
LEVEL 2 COUNTY PROJECTS								-
								-
Fire Facility Improvements and Equipment	1,512,018	1,512,018	46,483	1,090,078	33,714	-	35,693	1,205,968.00
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 '(4)	37,853 '(4)	898,873.00
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	343,619	1,059,996.00
Subtotal All County Projects	22,007,360	23,159,433	1,972,395	3,830,010	2,078,160	3,330,714	2,458,947	13,670,226
MUNICIPAL PROJECTS								
City of Madison								
Road and Bridge Improvements and Equipment	800,000	800,000	26,410	104,612	106,351	104,348	102,454	444,175
Hill Park Restrooms	100,000	100,000	3,301	13,077	13,294	13,043	12,806	55,521
Public Safety Building Construction/Improvements and Equipment	550,000	550,000	18,156	71,921	73,116	71,739	70,437	305,369
City Hall Renovations	400,000	400,000	13,205	52,306	53,175	52,174	51,227	222,087
Acquisition of Town Park	1,000,000	1,000,000	33,012	130,766	132,939	130,435	128,067	555,219
Parks and Greenspace	267,640	267,640	8,835	34,998	35,580	34,910	34,276	148,599
Subtotal	3,117,640	3,117,640	102,919	407,680	414,455	406,649	399,267	1,730,970
City of Rutledge								
Fears Road Well Construction	161,500	161,500	5,332	21,118	21,469	21,064	20,682	89,665
Water Line Replacement - Newborn Road	168,500	168,500	5,562	22,033	22,399	21,977	21,579	93,550
Scada System Upgrade	105,000	105,000	3,466	13,730	13,958	13,695	13,446	58,295
Mini Excavator	35,000	35,000	1,155	4,577	4,653	4,565	4,482	19,432
Work Truck	30,000	30,000	990	3,922	3,987	3,913	3,842	16,654
Subtotal	500,000	500,000	16,505	65,380	66,466	65,214	64,031	277,596
City of Bostwick								
Demolition of Community Center, Construction of Parking	50,000	50,000	1,651	6,541	6,650	6,525	6,406	27,773
City Park Improvements	150,000	150,000	4,954	19,624	19,950	19,574	19,220	83,322
Sidewalk Additions and Improvements	25,000	25,000	826	3,271	3,325	3,262	3,203	13,887
Traffic Calming Devices	25,000	25,000	826	3,271	3,325	3,263	3,203	13,888
Subtotal	250,000	250,000	8,257	32,707	33,250	32,624	32,032	138,870
City of Buckhead								
Fire Station Improvements	40,000	40,000	1,321	5,233	5,320	5,220	5,125	22,219
Town Park Improvements	40,000	40,000	1,321	5,233	5,320	5,220	5,125	22,219
Sidewalk Improvements	32,500	32,500	1,073	4,252	4,323	4,241	4,164	18,053
Lawn Care Equipment	12,500	12,500	413	1,635	1,663	1,631	1,602	6,944
Subtotal	125,000	125,000	4,128	16,353	16,626	16,312	16,016	69,435
Total All City Projects**(1)**	3,992,640	3,992,640	131,809	522,120	530,797	520,799	511,346	2,216,871
Total All Projects	$ 26,000,000	$ 27,152,073	$ 2,104,204	$ 4,352,130	$ 2,608,957	$ 3,851,513	$ 2,970,293	$ 15,887,097

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 6/30/2017

Statement of Revenues, Expenditures and Changes in Fund Balance (page 5)	
Expenditures	3,475,575
Subtotal	3,475,575
Less items not included as expenditures on SPLOST schedule below:	
Miscellaneous revenue used for expenditures first before SPLOST funds	(7,989)
Revenue from State, Federal, and Local grants used for expenditures first before SPLOST funds	(497,293)
Subtotal of adjustments	(505,282)
Expenditures reported on Splost schedule below	**2,970,293**
Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (page 63)	
Splost #6	2,970,293
	-
Revised SPLOST 6	2,970,293
Total	**2,970,293**

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.

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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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Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

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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.

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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)

	2008	2009 (1)	2010	2011 (2)	2012	2013	2014	2015 (3)	2016	2017
GOVERNMENTAL ACTIVITIES										
Net Investment in capital assets	$ 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	$ 50,442,325
Restricted	4,656,654	2,894,625	1,034,074	1,988,959	1,008,376	864,445	219,325	648,150	270,536	2,848,096
Unrestricted:	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	3,262,390
Total governmental activities net position	$ 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	$ 56,552,811
BUSINESS-TYPE ACTIVITIES										
Net Investment in capital assets	$ 553,538	$ 498,269	$ 435,751	$ 423,478	$ 388,750	$ 605,828	$ 575,162	$ 523,449	$ 472,887	$ 570,336
Unrestricted	(197,287)	(93,952)	(273,097)	(290,420)	(388,750)	(369,352)	(434,675)	(471,742)	(433,771)	(449,444)
Total business-type activities net position	$ 356,251	$ 404,317	$ 162,654	$ 133,058	$ -	$ 236,476	$ 140,487	$ 51,707	$ 39,116	$ 120,892
PRIMARY GOVERNMENT										
Net investment in capital assets	$ 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	$ 51,012,661
Restricted	4,656,654	2,894,625	1,034,074	1,988,959	1,008,376	864,445	219,325	648,150	270,536	2,848,096
Unrestricted	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	2,812,946
Total primary government net position	$ 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	$ 56,673,703

Note:
(1) 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.
(2) In 2011, the County implemented GASB 54.
(3) In 2015, the County implemented GASB 68.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EXPENSES										
Governmental activities:										
General government	$ 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	$ 3,618,446
Judicial	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	1,350,216
Public safety	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	7,512,415
Public works	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	4,768,071
Health and welfare	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	1,521,092
Recreation and culture	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	1,232,289
Housing and development	884,788	764,023	661,589	568,418	569,188	501,473	489,786	524,039	670,970	653,749
Interest on long-term debt	623,216	869,746	830,572	764,021	728,723	633,055	688,485	642,873	568,892	569,746
Total governmental activities expenses	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	21,226,024
Business-type activities:										
Solid waste disposal facility	1,229,757	1,173,153	954,279	987,377	924,782	868,546	849,543	930,385	1,158,133	1,285,795
Sewer utility fund									80,504	40,940
Total business-type activities expenses	1,229,757	1,173,153	954,279	987,377	924,782	868,546	849,543	930,385	1,238,637	1,326,735
Total primary government expenses	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	22,552,759
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	702,075	562,398	583,893	757,176	778,590	697,902	896,917	898,398	812,212	778,305
Judicial	937,425	985,746	1,039,309	853,314	600,536	753,130	701,347	698,470	712,210	737,694
Public safety	617,775	623,592	646,449	669,836	538,653	442,129	427,289	446,809	417,185	445,673
Public works	-	-	-	-	-	300	-	-	-	3,633
Health and welfare	70,531	59,628	49,433	46,382	37,069	18,520	21,741	32,682	26,317	25,017
Recreation and culture	221,360	206,481	262,664	250,468	258,698	267,432	272,062	276,160	286,373	296,302
Housing and development	345,103	415,055	149,986	127,478	170,581	1,195,072	203,954	260,314	280,115	836,451
Total charges for services	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	3,123,075
Operating grants and contributions	423,937	345,115	1,021,163	1,498,111	774,145	3,838,006	709,530	1,213,799	1,416,513	1,691,927
Capital grants and contributions	590,657	412,386	320,317	182,113	83,273	472,996	238,788	23,153	36,946	135,081
Total governmental activities program revenues	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	4,950,083

continued

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Charges for services:										
Solid waste disposal facility	406,576	341,034	287,163	327,258	291,399	256,398	264,354	324,824	534,246	616,726
Sewer utility fund									39,535	51,663
Total charges for services	406,576	341,034	287,163	327,258	291,399	256,398	264,354	324,824	573,781	668,389
Total business-type activities program revenues	406,576	341,034	287,163	327,258	291,399	256,398	264,354	324,824	573,781	668,389
Total primary government program revenues	$ 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	$ 5,618,472
Net (expense)/revenue										
Governmental activities	$ (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)	$ (16,275,941)
Business-type activities	(823,181)	(832,119)	(667,116)	(660,119)	(633,383)	(612,148)	(585,189)	(605,561)	(664,856)	(658,346)
Total primary government net expense	(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)	(16,934,287)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITIONS										
Governmental activities:										
Taxes										
Property Taxes	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	9,594,745
Sales Taxes	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	5,760,421
Insurance premium tax	513,885	526,410	518,862	504,631	525,844	561,768	583,868	616,172	659,824	702,159
Real estate and recording taxes	213,685	173,461	116,810	99,292	103,839	135,389	115,432	155,054	189,036	209,579
Other taxes	152,497	141,240	133,615	138,222	148,663	143,861	157,730	159,987	173,719	182,347
Total taxes	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	16,449,251
Unrestricted grants and contributions	304,611	307,172	-	228,308	258,767	356,525	1,023,119	603,183	771,861	800,052
Investment earnings	615,431	261,418	92,485	28,193	6,412	2,550	2,004	2,148	2,776	2,421
Miscellaneous	26,087	68,111	45,037	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	5,065	36,978	17,209	15,443	150,186	436,579	26,022
Transfers	(940,028)	(878,485)	(425,000)	(630,175)	(500,228)	(848,592)	(489,201)	(493,990)	(652,266)	(740,122)
Total governmental activities	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	16,537,624

continued

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Investment earnings	5,620	1,700	454	348	97	32	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	22,791	-	-
Transfers	940,028	878,485	425,000	630,175	500,228	848,592	489,201	493,990	652,266	740,122
Total business-type activities	945,648	880,185	425,454	630,523	500,325	848,624	489,201	516,781	652,266	740,122
Total primary government	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	17,277,746
CHANGE IN NET POSITIONS										
Governmental activities	2,118,922	(411,931)	(239,327)	(582,942)	(3,499,266)	913,237	(4,697,451)	(3,911,026)	(1,996,541)	261,683
Business-type activities	122,467	48,066	(241,662)	(29,596)	(133,058)	236,476	(95,988)	(88,780)	(12,590)	81,776
Total primary government	$ 2,241,389	$ (363,865)	$ (480,989)	$ (612,538)	$ (3,632,324)	$ 1,149,713	$ (4,793,439)	$ (3,999,806)	$ (2,009,131)	$ 343,459

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

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
General fund										
Reserved	$ 478,082	$ 174,675	$ 86,720	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	4,970,032	5,241,711	6,382,355	-	-	-	-	-	-	-
Nonspendable	-	-	-	147,389	414,127	468,467	181,501	185,636	161,576	306,573
Restricted	-	-	-	-	-	-	-	373,931.00	-	-
Assigned	-	-	-	-	1,915,412	-	-	-	-	-
Unassigned	-	-	-	6,625,548	3,419,893	3,324,061	2,648,089	2,124,343	3,128,158	3,828,485
Total general fund	$ 5,448,114	$ 5,416,386	$ 6,469,075	$ 6,772,937	$ 5,749,432	$ 3,792,528	$ 2,829,590	$ 2,683,910	$ 3,289,734	$ 4,135,058
All other governmental funds										
Reserved	$ 19,573,659	$ 11,759,473	$ 568,311	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special Revenue Funds	1,006,678	1,084,759	477,024	-	-	-	-	(78)	-	-
Capital Projects Funds	151,785	6,926	-	-	-	-	-	(493,119)	(953,349)	(593,920)
Nonspendable	-	-	-	3,781	1,414	1,414	1,769	1,492	1,417	1,027
Restricted	-	-	-	1,985,180	1,004,257	863,031	217,911	272,804	269,119	2,847,069
Total all other governmental funds	$ 20,732,122	$ 12,851,158	$ 1,045,335	$ 1,988,961	$ 1,005,671	$ 864,445	$ 219,680	$ (218,901)	$ (682,813)	$ 2,254,176

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									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
REVENUES										
Taxes (see table 5)	$ 15,671,614	$ 14,824,505	$ 14,946,628	$ 14,642,085	$ 14,018,206	$ 13,184,851	$ 13,360,128	$ 14,495,111	$ 16,547,780	$ 16,414,278
Licenses and permits	185,857	106,293	79,545	113,417	136,096	154,719	162,241	206,895	218,467	277,920
Intergovernmental	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	1,884,269
Fines and forfeitures	929,737	937,734	1,016,568	806,806	502,570	610,990	558,176	588,174	506,898	623,678
Charges for services	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	1,613,957
Contributions and donations	62,493	61,615	47,836	63,916	48,166	84,131	64,760	136,127	504,459	75,445
Investment income	615,434	261,419	92,483	30,698	7,965	3,852	2,306	2,148	2,776	2,421
Miscellaneous	179,700	38,473	37,758	147,639	17,090	4,215	167,607	217,462	87,254	25,446
Total revenues	20,350,564	18,611,734	18,581,969	18,733,622	17,497,575	16,736,845	17,788,762	18,871,065	21,216,669	20,917,414
EXPENDITURES										
General government	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	2,958,188
Judicial	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	1,270,872
Public safety	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	6,227,360
Public works	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	2,065,590
Health and welfare	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	1,456,860
Recreation and culture	796,297	889,943	1,185,626	931,105	1,585,169	1,021,991	1,049,908	1,241,290	1,880,326	1,126,622
Housing and development	847,346	725,381	626,148	526,943	533,929	501,665	484,794	504,686	609,851	603,298
Intergovernmental	300,223	264,766	272,291	277,264	285,546	339,315	522,120	530,797	520,799	511,346
Capital Outlay	6,847,486	8,869,174	11,664,706	456,345	794,267	545,930	2,864,911	350,867	906,407	1,122,662
Principal on long-term debt	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	2,006,607
Interest on long-term debt	681,468	948,678	906,033	835,867	796,810	723,119	771,246	717,980	635,960	690,049
Issuance costs on long-term debt	302,674	-	-	-	-	-	-	-	-	-
Total expenditures	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	20,039,454
Excess of revenues over (under) expenditures	(3,011,862)	(7,146,915)	(10,373,171)	1,673,486	(1,670,559)	(1,269,452)	(5,032,486)	869,462	237,151	877,960
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	729,307	112,708	45,037	5,065	36,978	17,209	73,000	276,252	557,027	26,022
Debt premiums and discounts	1,015,109	-	-	-	-	-	-	-	-	-
Proceeds from borrowing	19,067,311	-	-	199,110	129,721	-	2,500,000	105,000	-	3,618,453
Transfers in	2,552,257	869,586	542,600	270,304	266,703	393,196	448,976	373,006	421,029	529,582
Transfers out	(3,492,285)	(1,748,071)	(967,600)	(900,479)	(766,932)	(1,241,788)	(938,177)	(866,996)	(1,073,295)	(1,269,704)
Total other financing sources (uses)	19,871,699	(765,777)	(379,963)	(426,000)	(333,530)	(831,383)	2,083,799	(112,738)	(95,239)	2,904,353
Net change in fund balances	$ 16,859,837	$ (7,912,692)	$ (10,753,134)	$ 1,247,486	$ (2,004,089)	$ (2,100,835)	$ (2,948,687)	$ 756,724	$ 141,912	$ 3,782,313
Debt service as a percentage of noncapital expenditures	15.73%	12.16%	11.86%	12.38%	11.56%	12.23%	10.97%	13.23%	11.54%	14.26%

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

	2013	2014	2015	2016	2017
REVENUES					
Taxes	$ 9,661,703	$ 9,914,655	$ 10,995,228	$ 13,105,905	$ 13,031,480
Licenses and permits	154,719	162,241	206,895	218,467	277,920
Intergovernmental	559,084	1,366,098	956,037	1,108,139	1,306,806
Fines and forfeitures	505,680	451,470	442,096	405,190	473,204
Charges for services	1,239,204	1,253,230	1,209,047	1,312,932	1,298,407
Contributions and Donations	73,965	51,037	64,185	99,767	60,582
Investment income	2,166	1,811	1,974	2,702	2,315
Miscellaneous	4,215	167,607	217,463	87,254	25,446
TOTAL REVENUES	12,200,736	13,368,149	14,092,925	16,340,356	16,476,160
EXPENDITURES					
Current					
General government	2,901,460	5,482,853	2,842,531	3,095,481	2,958,188
Judicial	1,138,962	1,143,982	1,163,220	1,245,438	1,246,878
Public safety	4,661,526	4,803,479	4,882,608	5,170,125	5,211,635
Public works	1,405,049	1,406,654	1,356,215	1,434,335	1,421,954
Health and welfare	1,452,778	1,352,015	1,354,246	1,816,365	1,456,860
Recreation and culture	1,021,991	1,049,908	1,144,098	1,212,477	1,126,622
Housing and development	476,473	457,427	477,956	578,908	571,492
Capital Outlay	49,180	108,096	132,291	381,721	216,203
Debt Service					
Principal	234,540	181,908	286,775	296,474	321,617
Interest	13,078	120,272	121,460	106,238	96,202
TOTAL EXPENDITURES	13,355,037	16,106,596	13,761,400	15,337,562	14,627,650
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,154,301)	(2,738,447)	331,525	1,002,794	1,848,510
OTHER FINANCING SOURCES (USES)					
Proceeds from borrowings	-	2,500,000	-	-	-
Proceeds from sale of capital assets	560	73,000	276,252	557,027	26,022
Transfers in	97,716	60,775	56,770	59,649	120,248
Transfers out	(900,879)	(858,266)	(810,226)	(1,013,646)	(1,149,456)
TOTAL OTHER FINANCING SOURCES (USES)	(802,603)	1,775,509	(477,204)	(396,969)	(1,003,186)
EXCESS OF REVENUES AND OTHER FINANCING OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(1,956,904)	(962,938)	(145,680)	605,824	845,324
FUND BALANCES, JANUARY 1	5,749,432	3,792,528	2,829,590	2,683,910	3,289,734
FUND BALANCES, DECEMBER 31	$ 3,792,528	$ 2,829,590	$ 2,683,910	$ 3,289,734	$ 4,135,058

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
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	$ 9,658,284	$ 5,866,917	$ 659,824	$ 189,036	$ 173,719	$ 16,547,780
2017	$ 9,559,772	$ 5,760,421	$ 702,159	$ 209,579	$ 182,347	$ 16,414,278

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
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%
2017	2016	$ 730,391,148	$ 234,822,050	$ 28,723,390	$ 4,401,196	$ 179,739,339	$ 818,598,445	11.194	$ 2,046,496,113	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	***2007***	***2008***	***2009***	***2010***	***2011***	***2012***	***2013***	***2014***	***2015***	***2016***
Fiscal Year	***2008***	***2009***	***2010***	***2011***	***2012***	***2013***	***2014***	***2015***	***2016***	***2017***
County - Incorporated	8.430	8.350	8.178	8.400	8.990	8.990	9.490	9.490	11.310	11.194
County - Unincorporated **(1)**	8.430	8.350	8.178	8.400	8.990	8.990	9.490	9.490	11.310	11.194
School Operations	12.735	12.724	12.461	13.743	15.545	17.701	18.213	16.477	15.436	15.264
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.200	0.150	0.100	0.050	0.000
Total Incorporated	21.415	21.324	20.889	22.393	24.785	26.891	27.853	26.067	26.796	26.458
Total Unincorporated	21.415	21.324	20.889	22.393	24.785	26.891	27.853	26.067	26.796	26.458
Municipalities										
Bostwick	0.970	0.970	0.970	1.123	1.235	1.422	1.470	1.401	1.124	1.108
Buckhead	2.245	2.245	2.105	2.000	2.860	3.314	3.331	3.617	2.413	2.599
Madison	3.312	3.583	3.577	4.794	5.446	6.351	6.565	6.129	6.227	6.127
Madison Commercial Business Light	0.809	0.804	0.881	0.962	1.141	1.322	1.464	1.268	1.204	1.187
Madison Interstate Light	0.809	0.804	0.790	0.843	0.953	1.314	1.432	1.339	1.346	1.286
Rutledge	3.779	3.779	3.734	3.734	3.734	3.734	3.734	3.737	3.734	3.647

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	25.194	25.103	24.623	27.187	30.231	33.242	34.418	32.196	33.023	32.585
Total Unincorporated	21.415	21.324	20.889	22.393	24.785	26.891	27.853	26.067	26.796	26.458

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

	Tax Year 2016			Tax Year 2007		
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	$ 26,428	1	2.65%	$ 10,128	7	1.17%
Mannington Mills Inc - Madison	20,259	3	2.03%	5,853	5	0.67%
Georgia Power Co	10,880	2	1.09%	5,503	4	0.63%
Pennington Seed, Inc.	9,562	5	0.96%	12,988	6	0.00%
C R Bard Inc	8,009	7	0.80%	-		0.00%
Georgia Transmission Corp.	7,131	4	0.71%	-		0.00%
Lowes Home Centers Inc	3,811	6	0.38%	5,432	8	0.00%
CSX Transportation	3,696	8	0.37%	-		0.00%
BellSouth	3,084	10	0.31%	-		0.00%
Walmart (Zorn, Eric Trustee of)	2,830	9	0.28%	3,941	9	0.00%
Weyerhaeuser Real Estate	-		0.00%	13,433	1	1.55%
Plum Creek Timberlands	-		0.00%	6,253	2	0.72%
Willms, Arthur	-		0.00%	6,077	3	0.70%
Pritchard Farms	-		0.00%	5,432	10	0.63%
Totals	$ 95,689		9.58%	$ 75,039		8.64%

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	
2008	12/20/2008	$ 8,185	$ (24)	$ 302	$ 8,463	$ 7,860	96.03%	$ 604	$ 8,464	100.01%	$ (1)
2009	12/20/2009	$ 8,179	$ (31)	$ 325	$ 8,473	$ 7,747	94.72%	$ 727	$ 8,474	100.01%	$ (1)
2010	12/20/2010	$ 7,364	$ 12	$ 277	$ 7,653	$ 7,158	97.20%	$ 494	$ 7,652	99.99%	$ 1
2011	12/20/2011	$ 6,678	$ 88	$ 230	$ 6,996	$ 6,518	97.60%	$ 476	$ 6,994	99.97%	$ 2
2012	12/20/2012	$ 5,752	$ 50	$ 168	$ 5,970	$ 5,704	99.17%	$ 258	$ 5,962	99.87%	$ 8
2013	12/20/2013	$ 5,904	$ (7)	$ 152	$ 6,049	$ 5,923	100.32%	$ 119	$ 6,042	99.88%	$ 7
2014	12/20/2014	$ 6,800	$ 32	$ 161	$ 6,993	$ 6,835	100.51%	$ 150	$ 6,985	99.89%	$ 8
2015	11/15/2015 (1)	$ 8,801	$ (31)	$ 167	$ 8,937	$ 8,785	99.82%	$ 132	$ 8,917	99.78%	$ 20
2016	(2) 11/15/2016	$ 9,095	$ (257)	$ 48	$ 309	$ 8,744	104.08%	$ 22	$ 306	99.03%	$ 3
2017	(3) 11/15/2017	$ 269	$ -	$ 12	$ 281	$ 277	102.97%	$ -	$ 277	98.58%	$ 4

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 15th 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 2016 property taxes due November 15, 2016 are reported as revenues in the fiscal year ended June 30, 2017.
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 2017 mobile home taxes are recorded in the year ended June 30, 2017. 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)
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
2017	$ 422,315	-	$ 13,643,429	$ 14,065,744	1.82%	$ 774

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)
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
2017	$ 290,021	$ 2,755,614		$ 3,045,635	$ 282,750	$ 9,682	$ 292,432	$ 3,338,067	0.48%	$ 187

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, 2017

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	$ 390,000	100.00%	$ 390,000
Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County Bonds	29,002	100.00%	29,002
Morgan County Building Authority	12,797,725	100.00%	12,797,725
Total Intergovernmental Contracts Obligation	13,216,727		13,216,727
Capital Leases			
Capital Leases - Other	422,316	100.00%	422,316
Total Capital Leases	422,316		422,316
Total Direct obligations	13,639,043		13,639,043
Overlapping General Obligation Debt:			
Morgan County School System - Installment Sales Agreement	86,624	100.00%	86,624
City of Madison - Capital lease obligations	485,698	100.00%	485,698
City of Rutledge - GEFA loans	350,300	100.00%	350,300
City of Buckhead - GEFA loans	29,156	100.00%	29,156
City of Bostwick - no overlapping debt	-	100.00%	-
Total Overlapping General Obligation Debt	951,778		951,778
Total	$ 14,590,821		$ 14,590,821

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, 2017

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	$ 732	$ 13,216,727
Direct debt, Contractual Debt, Notes, and Leases per capita	$ 756	$ 13,639,043
Direct and Contractual Debt, Notes, Leases, and Overlapping Debt per capita	$ 809	$ 14,590,821
Fair Market Value of Taxable Property per capita	$ 138,305	
Grossed Assessed value of property before exemptions	$ 998,337,784	
Net Tax digest for Maintenance and operations	$ 818,598,445	
Estimated Fair Market Value of Taxable Property	$ 2,495,844,460	
Population, estimated 2017	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									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Assessed value of property	$ 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	$ 998,337,784
Debt limit (10% of total assessed value)	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	99,833,778
Amount of Debt applicable to limit:										
General Obligation debt	-	-	-	-	-	-	2,397,244	2,189,817	1,972,898	1,746,051
Less: Resources restricted to paying principal	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	2,397,244	2,189,817	1,972,898	1,746,051
Legal debt margin	$ 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	$ 98,087,727
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%	3.02%	2.39%	1.98%	1.75%

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)
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%
2017	18,170	$ 773,102,066	$ 42,548	4.6%

Data sources:
(1) US Bureau of the Census
(2) fred.stlouisfed.org; Based on calendar year 2016
(3) Department of Labor

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

	2017			2008[1]		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Board of Education	476	1	5.51%	-		0.00%
Georgia-Pacific Wood Products LLC	450	2	5.21%	-		0.00%
Mannington Mills	375	3	4.34%	-		0.00%
Morgan Memorial Hospital	210	4	2.43%	-		0.00%
Pennington Partners LP	200	5	2.32%	-		0.00%
Morgan County Government	201	6	2.33%	-		0.00%
Wal-Mart	180	7	2.08%	-		0.00%
Bard Manufacturing	150	8	1.74%	-		0.00%
Flambeau	140	9	1.62%	-		0.00%
Lowes Home Centers Inc	120	10	1.39%	-		0.00%
All other employers	6,132		71.02%	-		0.00%
Total	8,634		100.00%	-		0.00%

Source: Morgan County Chamber of Commerce

1. Information is not available for 2008.

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	36.5	39.0	34.0	32.0	30.0	28.0	28.0	28.0	29.5	29.5
Judicial	20.0	20.0	20.0	19.0	17.0	14.0	18.0	18.0	18.5	18.5
Public safety	73.0	73.0	83.5	87.0	70.0	73.0	71.0	90.5	92.0	92.0
Public works	42.0	42.0	33.5	32.0	32.0	30.0	29.0	35.0	33.0	33.0
Health and welfare	9.0	9.0	9.0	11.0	9.0	9.0	9.0	10.0	12.0	12.0
Recreation and culture	7.5	7.5	7.5	10.0	10.0	10.0	8.0	11.0	10.0	10.0
Housing and development	9.5	9.5	9.0	8.0	5.0	5.0	5.0	5.0	6.5	6.5
Total	197.5	200.0	196.5	199.0	173.0	169.0	168.0	197.5	201.5	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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sheriff										
Accident reports	237	272	208	215	286	183	208	160	139	241
Criminal incidents	490	576	418	474	438	499	545	638	506	504
Deputies/1,000 population	1	1	1	1	1	1	1	1	1	1
Fire										
Calls	352	296	320	151	118	109	118	95	151	168
Judicial										
Marriage license	104	145	100	104	91	132	146	134	109	93
Pistol permits	176	399	217	174	213	478	377	395	590	488
Highways and streets										
Miles of right-of-way mowed	-	2,104	1,559	2171	2749	2213	2391	1865	1339	1,260
Miles of shoulder work	-	134	148	139	321	265	378	510	374	187
Sanitation										
Refuse collected (tons/year)	18,858	19,436	16,638	16,364	14,600	14,928	14,734	16,918	20,004	20,171
Recyclables collected (tons/year)	365	377	343	263	187	184	354	397	362	155
Parks and recreation										
Adult athletic participants	-	-	6,492	3,749	4,105	3,110	5,732	1,610	2,045	750*
Aquatic center participants	-	-	21,880	24,187	23,466	22,714	22,616	18,044	15,061	18,758
Youth athletic participants	-	-	21,060	18,068	20,970	22,980	27,251	16,285	19,100	7,473*
Senior Center										
Congregate meals	6,283	6,739	7,470	6,864	6,739	6,818	6,556	6,429	7,150	7,688
Home delivered meals	4,253	5,247	6,686	8,146	8,716	8,770	7,489	6,208	5,550	4,811
Transit										
Average daily trips	-	91	96	103	103	93	93	90	96	86
Protective inspection										
Building permits	165	93	66	26	59	252	320	281	228	172

Sources: Various County departments

* Includes participants only. Prior years included spectators.

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

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

	Fiscal Year									
Function	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
General government										
Vehicles	7	8	8	8	12	12	12	14	14	15
Public Safety										
Jail cells	78	78	192	192	192	192	192	192	192	192
K-9 units	3	3	2	2	2	2	2	2	1	1
Fire Stations	13	13	13	13	12	12	12	13	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	5	5	5	5	7
Parks and recreation										
Acreage total	120	120	120	120	154	154	154	154	242	242
Swimming pools	-	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Baseball fields	9	9	8	8	8	8	8	8	8	8
Soccer fields	1	1	1	1	1	1	1	1	1	1
Playgrounds	7	7	5	5	7	7	7	7	7	7
Libraries	1	1	1	1	1	1	1	1	1	1
Sanitation										
Compactor sites	12	12	12	13	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 29, 2017

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, 2017, 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 29, 2017. 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.

Bates, Carter & Co, LLP