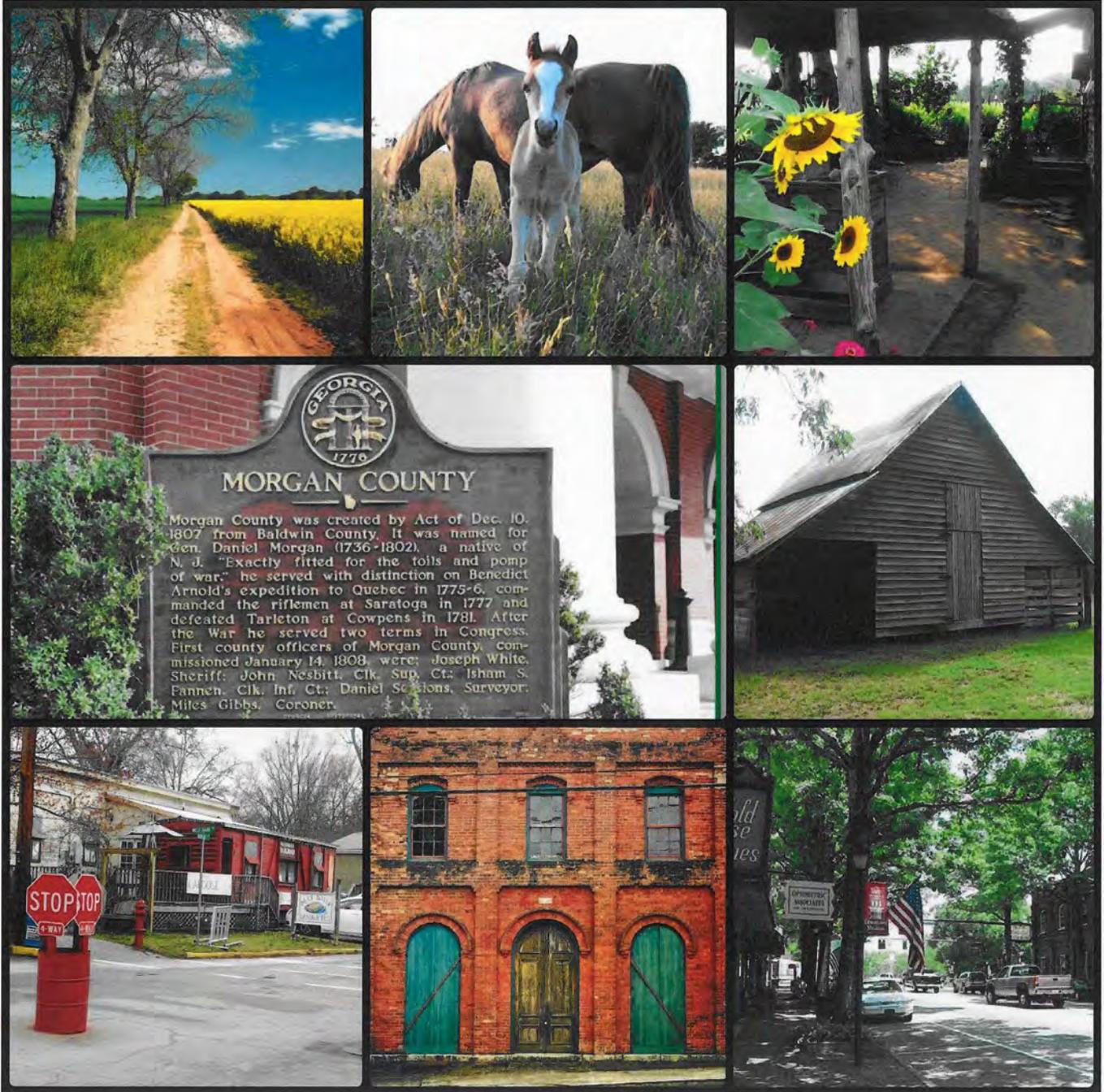


# *Comprehensive Annual Financial Report*

## *Morgan County, Georgia*



*For the Year Ended June 30, 2013*

*Prepared by Finance Department*

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## MORGAN COUNTY, GEORGIA

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



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

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

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# Introductory Section

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





## Morgan County Board of Commissioners

PO Box 168  
150 E. Washington Street  
Madison, GA 30650

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December 30, 2013

To the Board of Commissioners and Citizens of Morgan County:

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

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

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

### *Profile of the Government*

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

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

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

### *Economic condition and outlook*

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

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

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

### *Long-term financial planning*

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

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

### *Internal controls*

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

### *Budget controls*

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

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

*Cash management*

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

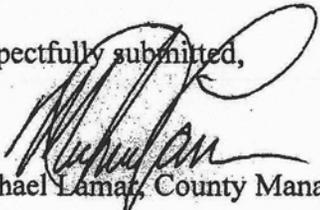
*Independent audit*

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

*Acknowledgements*

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

Respectfully submitted,

  
Michael Lamar, County Manager



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Morgan County  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



**Board of Commissioners**

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

County Manager  
Michael Lamar

County Clerk  
Jane Laseter

County Attorney  
Christian Henry

**Elected Officials**

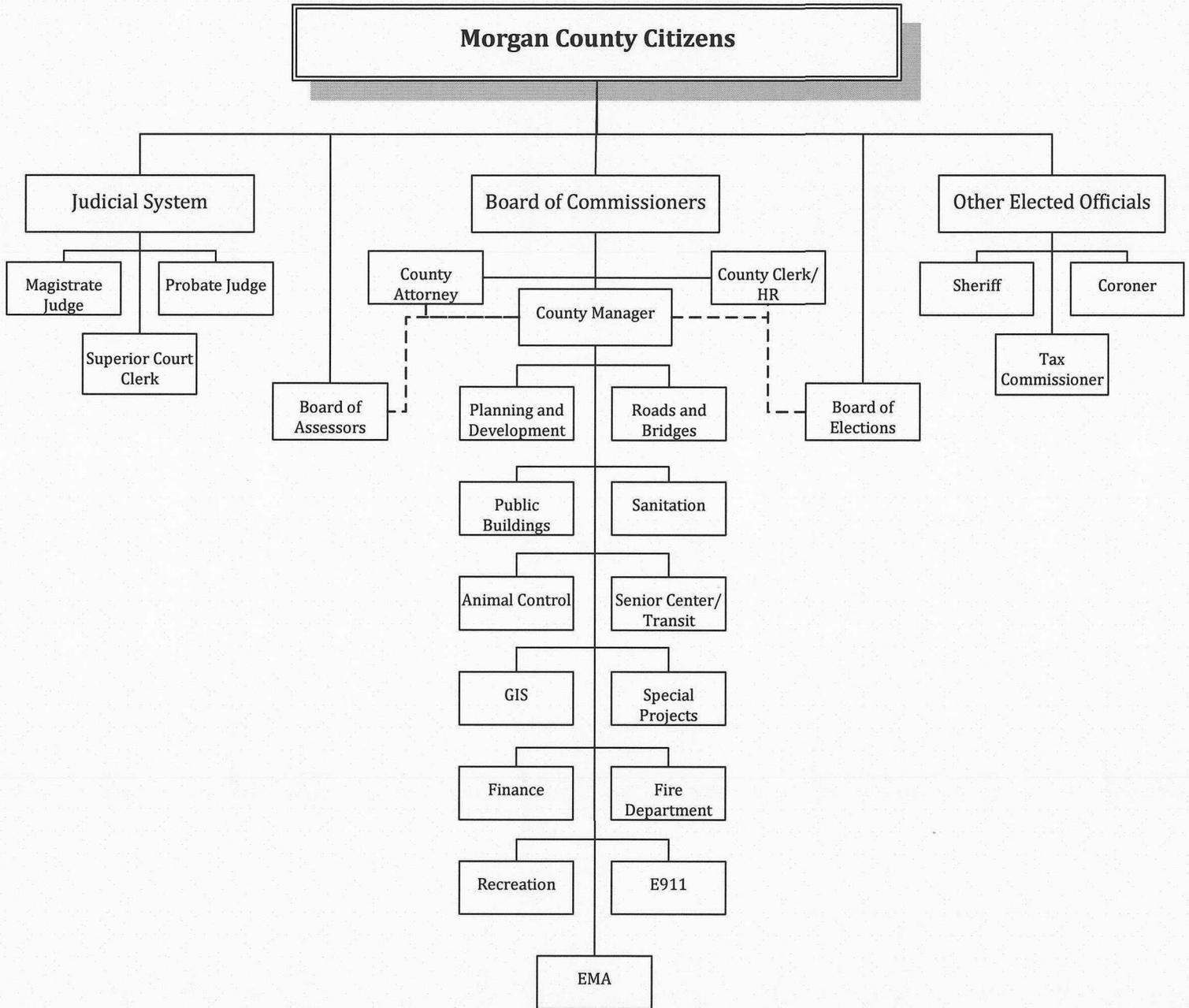
Chief Magistrate Judge  
Clerk of Superior Court  
Coroner  
Probate Court Judge  
Sheriff  
Tax Commissioner

Connie Holt  
Jody M. Moss  
Adam Carter  
Charles Merritt  
Robert S. Markley  
Becky Astin

**Superior Court Judges**

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

## Morgan County Organizational Chart



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# Financial Section





## INDEPENDENT AUDITORS' REPORT December 30, 2013

Board of Commissioners  
MORGAN COUNTY, GEORGIA  
Madison, Georgia

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

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

## **Opinions**

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

## **Change in Accounting Principle**

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

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

#### **Other Reporting Required by *Government Auditing Standards***

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

*Baker Partner: Co, LLP*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

### FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2013 by \$63,137,658 (Net Position). Of this amount, \$5,024,034 is considered unrestricted and can be used to meet the County's ongoing obligations.
- The County's total net position increased by \$1,149,713 (Change in Net Position). This is discussed in further detail in the Government-Wide Financial Analysis.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

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

## Morgan County, Georgia's Net Position June 30

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

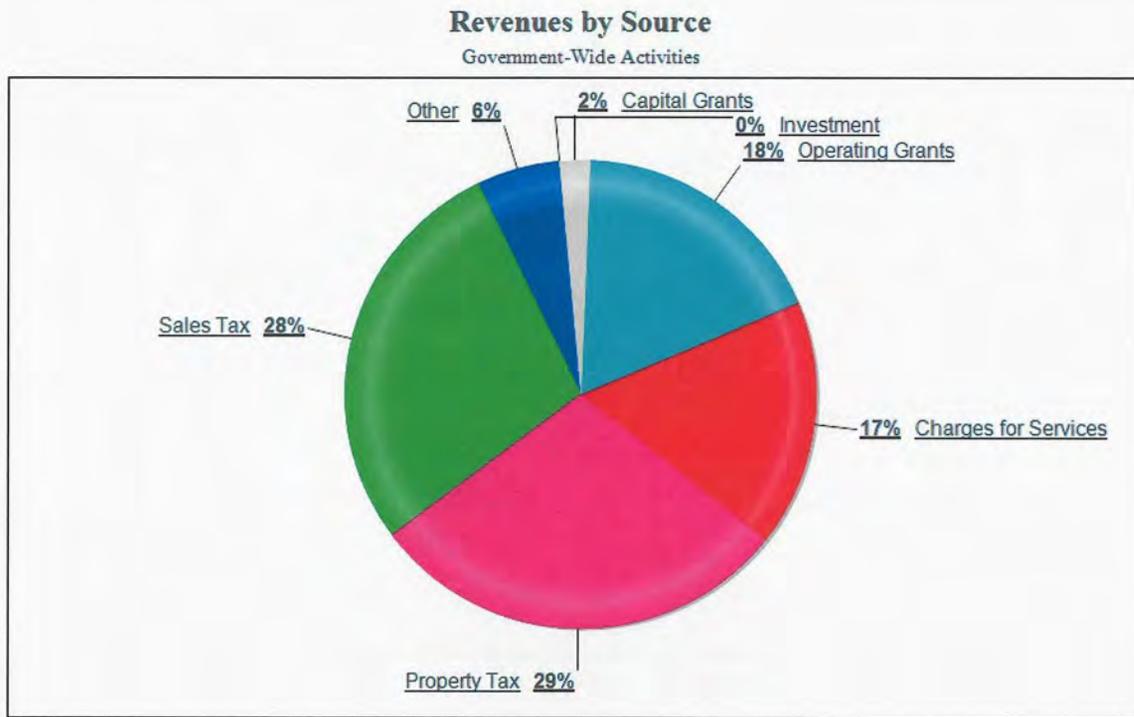
Total government-wide revenue for Fiscal Year 2013 was \$21,413,209. Of this amount, \$21,156,779 was in governmental activities and \$256,430 in business-type activities. The chart below shows the distribution of total primary government revenues.

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

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

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

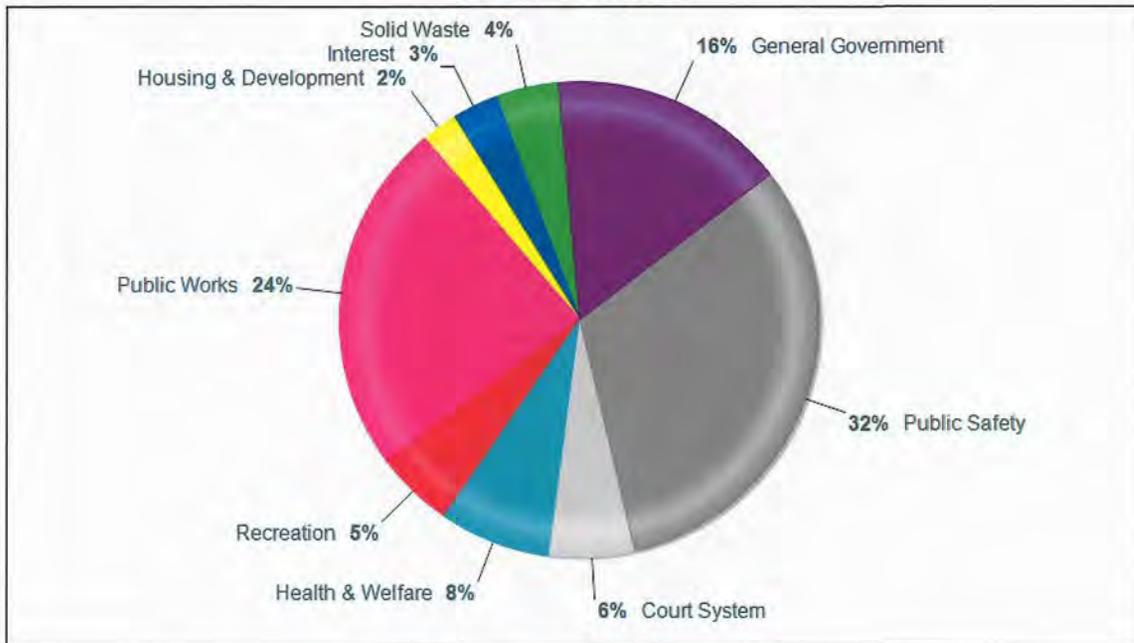
General Revenues such as Property Taxes and Local Option Sales Tax supplement the Governmental Activities. General Government required \$2,539,676, Judicial required \$409,688, Public Safety required \$5,763,928, Public Works required \$1,004,709, Health and Welfare required \$1,296,941, Recreation required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



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

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

Expenses by Function  
Government-Wide Activities



## FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

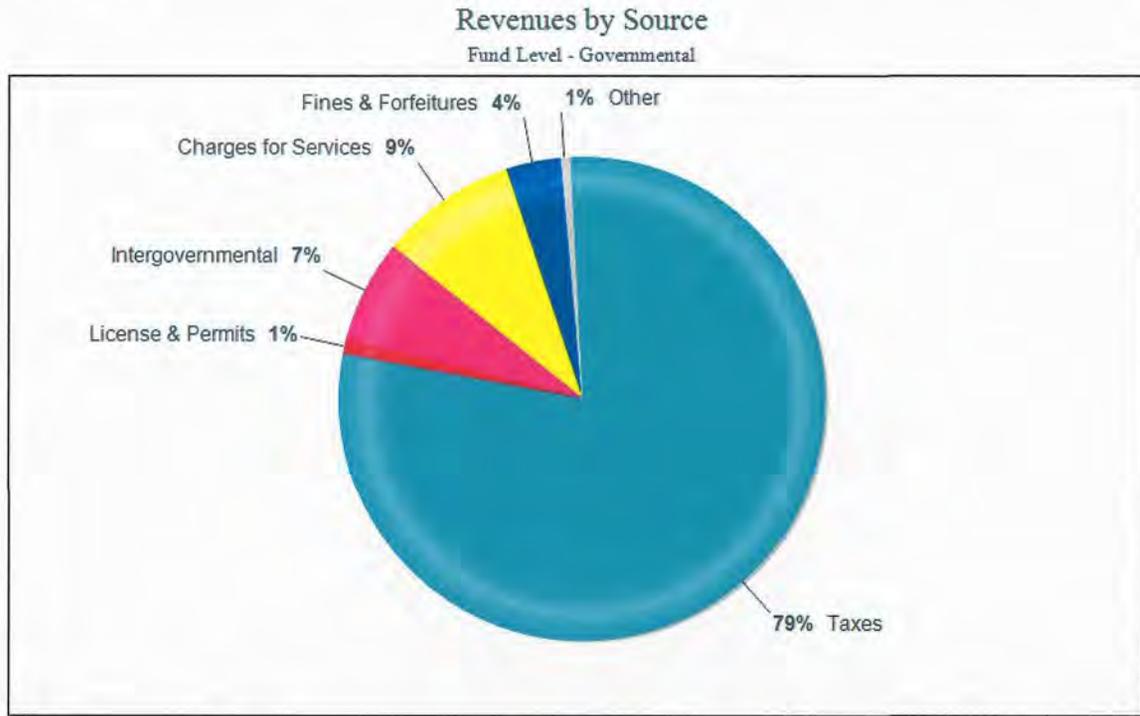
**Governmental Funds.** The focus of the County’s governmental funds is to provide information on near-term inflows and outflows of spendable resources. Such information is useful in evaluating a government’s near-term financing requirements.

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

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

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

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



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

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

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

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

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

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

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

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

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

In Governmental Activities:

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

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

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

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

## **ECONOMIC FACTORS AND THE 2014 BUDGET**

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

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

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

## **REQUESTS FOR INFORMATION**

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

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

PRIMARY GOVERNMENT

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(A) REPORTING ENTITY

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

Brief descriptions of discretely presented component units follow:

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

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

**(B) GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property taxes as available if they are collected by the end of the current fiscal year. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current fiscal period for which they are imposed. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

*Cumulative effect of a change in accounting principle*

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

The government reports the following major governmental funds:

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

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

The government reports the following major proprietary funds:

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

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

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

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

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

(D) ASSETS, LIABILITIES AND NET POSITION OR EQUITY

**1.     *Deposits and Investments***

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

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

**2.     *Receivables and Payables***

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

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

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

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

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

**3.     *Inventories and Prepaid Items***

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**4. Bond Premiums and Discounts**

*Cumulative effect of a change in accounting principle*

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

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

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

**5. Restricted Assets**

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

**6. Capital Assets**

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

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

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

| <u>Assets</u>           | <u>Years</u> | <u>Assets</u>     | <u>Years</u> |
|-------------------------|--------------|-------------------|--------------|
| Buildings               | 40           | Vehicles          | 5            |
| Building Improvements   | 10-25        | Infrastructure    | 10-50        |
| Machinery and equipment | 5-10         | Land improvements | 10-20        |

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**7.     *Deferred Outflows/Inflows of Resources***

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

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

**8.     *Compensated Absences***

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

**9.     *Long-term Obligations***

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

**10.    *Fund Equity/Net Position***

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**11. Net Investment in Capital Assets**

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

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

**12. Management Estimates**

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

NOTE 2 - FUND BALANCE/NET POSITION

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

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

**Restricted:**

**SPLOST Fund**

*Capital outlay projects* - For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved referendum. \$ 679,302

**Nonmajor Restricted 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. 10,157

*Public Safety Programs -*

Restricted Programs Fund - To account for funds received from surcharges on fines and forfeitures restricted for operation of the county jail, and drug abuse, treatment and education programs. 75,828

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(A) BUDGETARY INFORMATION

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

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

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

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

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

NOTE 4 - DEPOSITS AND INVESTMENTS

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

***Primary Government***

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

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

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

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

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

***Fiduciary Fund***

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

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

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

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

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

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

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.

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

NOTE 5 - RECEIVABLES

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

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

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

|   | UNAVAILABLE       | UNEARNED    | TOTAL             |
|---|-------------------|-------------|-------------------|
| Delinquent property taxes receivable (General Fund) | \$ 261,235        | \$ -        | \$ 261,235        |
| Total unearned revenue for governmental funds       | <u>\$ 261,235</u> | <u>\$ -</u> | <u>\$ 261,235</u> |

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

| <u>DIGEST<br/>YEAR</u> | <u>GENERAL<br/>FUND</u> |
|------------------------|-------------------------|
| 2013 <sup>(1)</sup>    | \$ 5,798                |
| 2012                   | 153,896                 |
| 2011                   | 58,348                  |
| 2010                   | 13,189                  |
| 2009                   | 9,181                   |
| 2008                   | 4,369                   |
| 2007                   | 3,676                   |
| 2006                   | 2,501                   |
| 2005                   | 3,101                   |
| 2004                   | 815                     |
| 2003                   | 1,014                   |
| 2002                   | 2,138                   |
| 2001                   | 1,191                   |
| 2000 & prior           | 2,018                   |
| Total                  | <u>\$ 261,235</u>       |

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

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

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

**MORGAN COUNTY, GEORGIA**  
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**NOTE 6 - CAPITAL ASSETS**

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

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

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

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

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

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

**Governmental Activities:**

|  |                     |
|--|---------------------|
| General Government                                 | \$ 336,304          |
| Public Safety                                      | 923,136             |
| Public Works                                       | 2,034,603           |
| Public Health and Welfare                          | 71,377              |
| Recreation and Culture                             | 49,820              |
| Housing and Development                            | 895                 |
| Rounding   | (1)                 |
| Total depreciation expense-governmental activities | <u>\$ 3,416,134</u> |

**Business-type Activities:**

|             |                  |
|-------------|------------------|
| Solid Waste | <u>\$ 26,115</u> |
|-------------|------------------|

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

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

*Health Department Discretely Presented Component Unit*

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

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

*Hospital Authority Discretely Presented Component Unit*

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

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

**MORGAN COUNTY, GEORGIA**  
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NOTE 7 - LONG TERM DEBT

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

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

**Capital Leases**

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

|                                | Governmental<br>Activities |
|--------------------------------|----------------------------|
| Buildings and improvements     | \$ 885,714                 |
| Machinery and equipment        | 199,110                    |
| Less: Accumulated Depreciation | (354,286)                  |
| Total                          | <u>\$ 730,538</u>          |

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

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

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

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

**Contracts payable**

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

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

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

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

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

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

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

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

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

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

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

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

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

**Compensated Absences**

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

*Health Department Discretely Presented Component Unit*

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

| <b>Governmental Activities</b> | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Reductions</u>  | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> | <u>Due After<br/>One Year</u> |
|--------------------------------|------------------------------|------------------|--------------------|---------------------------|--------------------------------|-------------------------------|
| Compensated absences           | <u>\$ 33,725</u>             | <u>\$ 26,472</u> | <u>\$ (29,225)</u> | <u>\$ 30,972</u>          | <u>\$ 8,850</u>                | <u>\$ 22,122</u>              |

*Hospital Authority Discretely Presented Component Unit*

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

The assets acquired through capital leases are as follows:

| Asset                          | Governmental<br>Activities |
|--------------------------------|----------------------------|
| Machinery and equipment        | \$ 1,858,000               |
| Less: Accumulated depreciation | <u>(1,187,000)</u>         |
| Total                          | <u>\$ 671,000</u>          |

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

- 1997 Series Revenue Certificates, at varying rates of interest from 3.85% to 5.35%, principal maturing in varying annual amounts, due July 2017, secured by County commitment to provide revenues, through tax levy, sufficient to meet obligations under the bond contract and to pay all reasonable operating expenses of the Authority. The original proceeds of \$1,385,000 were used to build a 21 bed skilled nursing unit.
- Capital lease obligation, at varying rates of inputed interest from 3.48% to 5.37%, collateralized by leased equipment.

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**NOTE 8 - INTERFUND BALANCES AND ACTIVITY**

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

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

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

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

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

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

**NOTE 9 - RETIREMENT PLANS**

*Defined Benefit Pension Plan*

**A. Plan Description**

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

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

**B. Funding Policy**

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

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

**C. Annual Pension Cost**

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

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

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

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

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

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

**Other Plans**

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

- (B) SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA: The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.
- (C) SHERIFF'S RETIREMENT FUND/PEACE OFFICER'S ANNUITY AND BENEFIT FUND: The Sheriff and Sheriff's Deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.
- (D) GEORGIA STATE EMPLOYEES' RETIREMENT SYSTEM: The Health Department's eligible employees participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system covering employees of local boards of health and various agencies and departments of the State of Georgia. ERS is funded through employer and employee contributions and the Health Department has no legal obligation for paying benefits.

NOTE 10 - CONTINGENT LIABILITIES AND COMMITMENTS

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

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

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

NOTE 11 - RISK MANAGEMENT

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

***WORKERS' COMPENSATION***

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

***OTHER***

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

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

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

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

NOTE 12 - NORTHEAST GEORGIA REGIONAL COMMISSION

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

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

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

NOTE 13 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

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

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

NOTE 14 - SIGNIFICANT ESTIMATES

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

These estimates are as follows:

- The liability for landfill closure and postclosure care cost is based on estimates provided by the County's engineering consultants and reduced each year by expenses related to the closure and postclosure of the landfill. These estimates are based on what it would cost to perform closure and postclosure care currently. Actual costs may change due to higher inflation, changes in technology, or changes in regulations.
- The estimate for accumulated depreciation on capital assets. This estimate is based on the original or estimated cost of the assets, depreciated over the estimated useful lives using the straight line method and composite method.

NOTE 15 - HOTEL/MOTEL TAX

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

NOTE 16 - RELATED PARTY TRANSACTIONS

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

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

**MORGAN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

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

NOTE 17 - SUBSEQUENT EVENTS

*Hospital Authority Discretely Presented Component Unit*

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

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# Required Supplementary Information



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

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

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

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

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

|   | BUDGET AMOUNTS    |                   | ACTUAL            | VARIANCE WITH          |
|---|-------------------|-------------------|-------------------|------------------------|
|   | ORIGINAL          | FINAL             |                   | FINAL BUDGET           |
|   |                   |                   |                   | POSITIVE<br>(NEGATIVE) |
| FUND BALANCE, Beginning of year             | \$ 5,749,432      | \$ 5,749,432      | \$ 5,749,432      | \$ -                   |
| <b>RESOURCES (INFLOWS)</b>                  |                   |                   |                   |                        |
| Taxes                                       | 9,630,680         | 9,630,680         | 9,661,703         | 31,023                 |
| Licenses and permits                        | 130,000           | 130,000           | 154,719           | 24,719                 |
| Intergovernmental                           | 734,100           | 734,100           | 559,084           | (175,016)              |
| Fines and forfeitures                       | 148,000           | 448,000           | 505,680           | 57,680                 |
| Charges for services                        | 1,471,615         | 1,171,615         | 1,239,204         | 67,589                 |
| Contributions and donations                 | 40,000            | 40,000            | 73,965            | 33,965                 |
| Investment income                           | 25,000            | 25,000            | 2,166             | (22,834)               |
| Miscellaneous                               | 4,300             | 4,300             | 4,215             | (85)                   |
| Sale of county property                     | 12,500            | 12,500            | 560               | (11,940)               |
| Transfers in                                | 80,000            | 80,000            | 97,716            | 17,716                 |
| Total Resources (Inflows)                   | <u>12,276,195</u> | <u>12,276,195</u> | <u>12,299,012</u> | <u>22,817</u>          |
| AMOUNTS AVAILABLE FOR APPROPRIATION         | <u>18,025,627</u> | <u>18,025,627</u> | <u>18,048,444</u> | <u>22,817</u>          |
| <b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b> |                   |                   |                   |                        |
| <b>Current Expenditures</b>                 |                   |                   |                   |                        |
| <b>General Government</b>                   |                   |                   |                   |                        |
| Board of commissioners                      | 66,283            | 72,536            | 72,536            | -                      |
| County manager                              | 287,474           | 289,383           | 289,382           | 1                      |
| County clerk                                | 67,496            | 68,196            | 68,115            | 81                     |
| Elections                                   | 160,887           | 160,887           | 155,780           | 5,107                  |
| Finance                                     | 516,475           | 260,179           | 245,652           | 14,527                 |
| Law   | 107,000           | 125,476           | 125,476           | -                      |
| Management information                      | 368,399           | 358,799           | 344,986           | 13,813                 |
| Human resources                             | 48,335            | 47,635            | 44,849            | 2,786                  |
| Tax commissioner                            | 236,508           | 250,776           | 250,745           | 31                     |
| Tax assessor                                | 472,877           | 481,453           | 481,422           | 31                     |
| Risk management                             | 201,000           | 201,000           | 187,399           | 13,601                 |
| General government buildings                | 624,386           | 614,421           | 604,302           | 10,119                 |
| Records management                          | 13,676            | 13,676            | 10,820            | 2,856                  |
| General administration fees                 | 21,700            | 21,700            | 20,996            | 704                    |
| Total General Government                    | <u>3,192,496</u>  | <u>2,966,117</u>  | <u>2,902,460</u>  | <u>63,657</u>          |
| <b>Judicial</b>                             |                   |                   |                   |                        |
| Ocmulgee Circuit                            | 40,147            | 32,464            | 21,274            | 11,190                 |
| Clerk of superior court                     | 464,670           | 450,700           | 432,156           | 18,544                 |
| District attorney                           | 56,439            | 64,122            | 64,059            | 63                     |
| Magistrate court                            | 279,778           | 291,191           | 291,187           | 4                      |
| Probate court                               | 236,487           | 244,271           | 244,260           | 11                     |
| Juvenile court                              | 27,940            | 28,686            | 28,686            | -                      |
| Public defender                             | 57,341            | 57,341            | 57,341            | -                      |
| Total Judicial                              | <u>1,162,802</u>  | <u>1,168,775</u>  | <u>1,138,963</u>  | <u>29,812</u>          |
| <b>Public Safety</b>                        |                   |                   |                   |                        |
| Sheriff                                     | 1,840,115         | 1,934,915         | 1,934,840         | 75                     |
| Jail operation                              | 1,559,384         | 1,485,852         | 1,485,809         | 43                     |
| Fire administration                         | 597,788           | 620,702           | 620,702           | -                      |
| Ambulance                                   | 310,505           | 318,307           | 318,306           | 1                      |
| Coroner/Medical Examiner                    | 20,768            | 26,143            | 26,143            | -                      |
| Emergency Management Agency                 | 63,158            | 63,379            | 62,875            | 504                    |
| Animal control                              | 223,826           | 225,727           | 225,726           | 1                      |
| Total Public Safety                         | <u>4,615,544</u>  | <u>4,675,025</u>  | <u>4,674,401</u>  | <u>624</u>             |
| <b>Public Works</b>                         |                   |                   |                   |                        |
| Highways and streets                        | 1,252,923         | 1,289,916         | 1,289,049         | 867                    |
| Maintenance and shop                        | 116,233           | 116,233           | 116,000           | 233                    |
| Total Public Works                          | <u>1,369,156</u>  | <u>1,406,149</u>  | <u>1,405,049</u>  | <u>1,100</u>           |

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

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

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

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# NONMAJOR GOVERNMENTAL FUNDS

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## SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

**SPECIAL REVENUE FUNDS**

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

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

**SPECIAL REVENUE FUNDS**

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

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

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

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

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

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

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

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

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

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

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

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

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

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

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

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

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

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

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

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# FIDUCIARY FUNDS

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

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

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

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

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

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

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

|                       | TAX<br>COMMISSIONER | CLERK OF<br>SUPERIOR<br>COURT | PROBATE<br>COURT | MAGISTRATE<br>COURT | SHERIFF          | TOTAL             |
|-----------------------|---------------------|-------------------------------|------------------|---------------------|------------------|-------------------|
| ASSETS                |                     |                               |                  |                     |                  |                   |
| Cash                  | \$ 208,985          | \$ 164,663                    | \$ 42,709        | \$ 2,043            | \$ 60,034        | \$ 478,434        |
| TOTAL ASSETS          | <u>\$ 208,985</u>   | <u>\$ 164,663</u>             | <u>\$ 42,709</u> | <u>\$ 2,043</u>     | <u>\$ 60,034</u> | <u>\$ 478,434</u> |
| LIABILITIES           |                     |                               |                  |                     |                  |                   |
| Amounts held in trust | \$ 208,985          | \$ 164,663                    | \$ 42,709        | \$ 2,043            | \$ 60,034        | \$ 478,434        |
| TOTAL LIABILITIES     | <u>\$ 208,985</u>   | <u>\$ 164,663</u>             | <u>\$ 42,709</u> | <u>\$ 2,043</u>     | <u>\$ 60,034</u> | <u>\$ 478,434</u> |

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

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

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# Supplementary Information



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

| SPLOST #V - Commenced April 1, 2007<br>Project                 | Original<br>Estimated<br>Cost | Current<br>Estimated<br>Cost | Amount Expended |                |                |                |                |                |                | Total        |
|--|-------------------------------|------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|
|  |                               |                              | Year 1<br>2007  | Year 2<br>2008 | Year 3<br>2009 | Year 4<br>2010 | Year 5<br>2011 | Year 6<br>2012 | Year 7<br>2013 |              |
| <b>LEVEL 1 COUNTY PROJECTS</b>                                 |                               |                              |                 |                |                |                |                |                |                |              |
| Public safety/Detention Center                                 | \$ 10,500,000                 | \$12,000,000                 | \$ -            | \$4,403,358    | \$7,419,912    | \$12,182,166   | \$ 850,404     | \$ 352,876     | \$ 351,506     | \$25,560,222 |
| <b>LEVEL 2 COUNTY PROJECTS</b>                                 |                               |                              |                 |                |                |                |                |                |                |              |
| Road and Bridge Improvements and Equipment                     | 10,500,000                    | 10,500,000                   | -               | 293,469        | 1,351,017      | 898,810        | 262,768        | 1,727,366      | 880,321        | 5,413,751    |
| Library Facility Improvements and Equipment                    | 900,000                       | 900,000                      | -               | -              | -              | 300,000        | -              | 600,000        | -              | 900,000      |
| Recreational Facility Improvements and Equipment               | 750,000                       | 1,000,000                    | -               | 22,800         | 950,948        | -              | -              | -              | -              | 973,748      |
| Water System Improvements and Equipment                        | 233,391                       | 233,391                      | -               | -              | 1,456          | -              | -              | -              | -              | 1,456        |
| Sanitation Improvements and Equipment                          | 59,000                        | 59,000                       | -               | -              | -              | 550            | -              | 47,966         | -              | 48,516       |
| Purchase of and Improvements to County Administration Building | 1,000,000                     | 1,000,000                    | -               | 157,094        | -              | -              | -              | -              | -              | 157,094      |
| Interest expense on Bonds, less interest income                | -                             | -                            | (346)           | 28,252         | -              | -              | -              | -              | -              | 27,906       |
| Subtotal All County Projects                                   | 23,942,391                    | 25,692,391                   | (346)           | 4,904,973      | 9,723,333      | 13,381,526     | 1,113,172      | 2,728,208      | 1,231,827      | 33,082,693   |
| <b>MUNICIPAL PROJECTS</b>                                      |                               |                              |                 |                |                |                |                |                |                |              |
| <b>City of Madison</b>   |                               |                              |                 |                |                |                |                |                |                |              |
| Road and Bridge Improvements and Equipment                     | 600,000                       | 600,000                      | 21,779          | 87,558         | 77,334         | 79,499         | 80,874         | 83,292         | 60,517         | 490,853      |
| Public Works Building Construction/Improvements and Equipment  | 400,000                       | 400,000                      | 14,520          | 58,372         | 51,556         | 53,000         | 53,916         | 55,528         | 40,344         | 327,236      |
| Public Safety Building Construction/Improvements and Equipment | 350,000                       | 350,000                      | 12,705          | 51,075         | 45,111         | 46,375         | 47,177         | 48,587         | 35,301         | 286,331      |
| City Hall Renovations  | 250,000                       | 250,000                      | 9,075           | 36,482         | 32,222         | 33,125         | 33,698         | 34,705         | 25,215         | 204,522      |
| Park Improvements and Equipment                                | 204,400                       | 204,400                      | 7,419           | 29,828         | 26,345         | 27,083         | 27,551         | 28,375         | 20,616         | 167,217      |
| Subtotal   | 1,804,400                     | 1,804,400                    | 65,498          | 263,315        | 232,568        | 239,082        | 243,216        | 250,487        | 181,993        | 1,476,159    |
| <b>City of Rutledge</b>  |                               |                              |                 |                |                |                |                |                |                |              |
| Water and Sewer System Improvements and Equipment              | 158,600                       | 158,600                      | 5,757           | 23,040         | 20,357         | 20,934         | 21,296         | 21,926         | 15,964         | 129,274      |
| <b>City of Bostwick</b>  |                               |                              |                 |                |                |                |                |                |                |              |
| Road and Bridge Improvements and Equipment                     | 30,000                        | 30,000                       | 1,089           | 4,407          | 3,946          | 3,885          | 4,044          | 4,161          | 3,026          | 24,558       |
| City Hall Improvements and Equipment                           | 13,435                        | 13,435                       | 488             | 1,974          | 1,767          | 1,740          | 1,811          | 1,863          | 1,355          | 10,998       |
| Water System Improvements and Equipment                        | 15,000                        | 15,000                       | 544             | 2,203          | 1,973          | 1,942          | 2,022          | 2,080          | 1,513          | 12,277       |
| Subtotal   | 58,435                        | 58,435                       | 2,121           | 8,584          | 7,686          | 7,567          | 7,877          | 8,104          | 5,894          | 47,833       |
| <b>City of Buckhead</b>  |                               |                              |                 |                |                |                |                |                |                |              |
| Road and Bridge Improvements and Equipment                     | 21,174                        | 21,174                       | 769             | 3,093          | 2,778          | 2,755          | 2,854          | 2,944          | 2,139          | 17,332       |
| Fire Station Improvements/Addition                             | 15,000                        | 15,000                       | 544             | 2,191          | 1,968          | 1,952          | 2,022          | 2,085          | 1,516          | 12,278       |
| Subtotal   | 36,174                        | 36,174                       | 1,313           | 5,284          | 4,746          | 4,707          | 4,876          | 5,029          | 3,655          | 29,610       |
| Total All City Projects (1)                                    | 2,057,609                     | 2,057,609                    | 74,689          | 300,223        | 265,357        | 272,290        | 277,265        | 285,546        | 207,506        | 1,682,876    |
| Total All Projects   | \$ 26,000,000                 | \$27,750,000                 | \$ 74,343       | \$5,205,196    | \$9,988,690    | \$13,653,816   | \$1,390,437    | \$3,013,754    | \$1,439,333    | \$34,765,569 |

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

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

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

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

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

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

## STATISTICAL SECTION

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

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| <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>  |              |
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Note: Tables may not add due to rounding

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

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

Note:

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

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

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

continued      continued

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

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

continued                      continued

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

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

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

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

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

Note: In 2011, the County implemented GASB 54.

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

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

Housing and development was not segregated as a function in 2002

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

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

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)**

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

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

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

Source: Georgia Department of Revenue

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

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

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

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

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

Source: Georgia Department of Revenue

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

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

Maximum rates:

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

**MORGAN COUNTY, GEORGIA  
PRINCIPAL PROPERTY TAXPAYERS  
Current Year and Nine Years Ago  
(amounts expressed in thousands)  
Tax Year 2012**

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

Source: Morgan County Tax Commissioner

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

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

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

Source: Morgan County Tax Commissioner's Office.

Schedule includes amounts for County maintenance and operations.

Taxes levied include real and personal property, motor vehicle, mobile home, timber, and heavy equipment taxes.

<sup>(1)</sup> Since real and personal property taxes are levied in the fall after the June 30 year end, those taxes are included in the next fiscal year.

For example the 2011 property taxes due December 20, 2012 are reported as revenues in the fiscal year ended June 30, 2013.

Motor vehicle taxes are reported in the fiscal year that they are collected.

<sup>(2)</sup> Since mobile home taxes are levied in April, they are recorded in the fiscal year that they are levied.

For example the 2013 mobile home taxes are recorded in the year ended June 30, 2013. Likewise for timber and heavy equipment taxes.

**MORGAN COUNTY, GEORGIA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years

|                                |
|--------------------------------|
| <b>Governmental Activities</b> |
|--------------------------------|

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

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

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

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

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

**MORGAN COUNTY, GEORGIA  
OTHER LONG-TERM LIABILITIES**

Last Ten Fiscal Years

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

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

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

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

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

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

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

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

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

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

**Debt and Assessed Value per Capita<sup>1</sup>**

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

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

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

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

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

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

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

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

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

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

Data sources:

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

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

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

Source: Morgan County Chamber of Commerce

1. Information is not available for 2004.

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

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

Source: Morgan County Finance Department - budget and payroll data

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

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

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

Sources: Various County departments

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

Information for years prior to 2007 is not available.

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

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

Sources: Various county departments

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# Compliance and Internal Control Reports





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

December 30, 2013

Board of Commissioners  
 Morgan County, Georgia  
 Madison, Georgia

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

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

## **COMPLIANCE AND OTHER MATTERS**

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

## **PURPOSE OF THIS REPORT**

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

*Babs, Carter : Co, LLP*