Comprehensive Annual Financial Report

Morgan County, Georgia

For the Year Ended June 30, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

MORGAN COUNTY, GEORGIA

For The Fiscal Year
July 1, 2013 - June 30, 2014

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, 2014

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Introductory Section

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

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

December 30, 2014

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, 2014.

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. 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, the City of Bostwick, and the City of Buckhead. Additional demographic information is provided in the Statistical Section of this report.

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

Morgan County provides a full range of local government services including but not limited to: law enforcement, corrections, road and highway construction, parks and recreation, 911 emergency communications, voter registration and elections, tax assessment and collection, building inspections, planning and zoning, solid waste collection and recycling, etc.

Economic condition and outlook
The County 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 department heads 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.

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
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 are finally trending upwards.

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 legally 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 FY2014, 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, 2013

Executive Director/CEO

Board of Commissioners

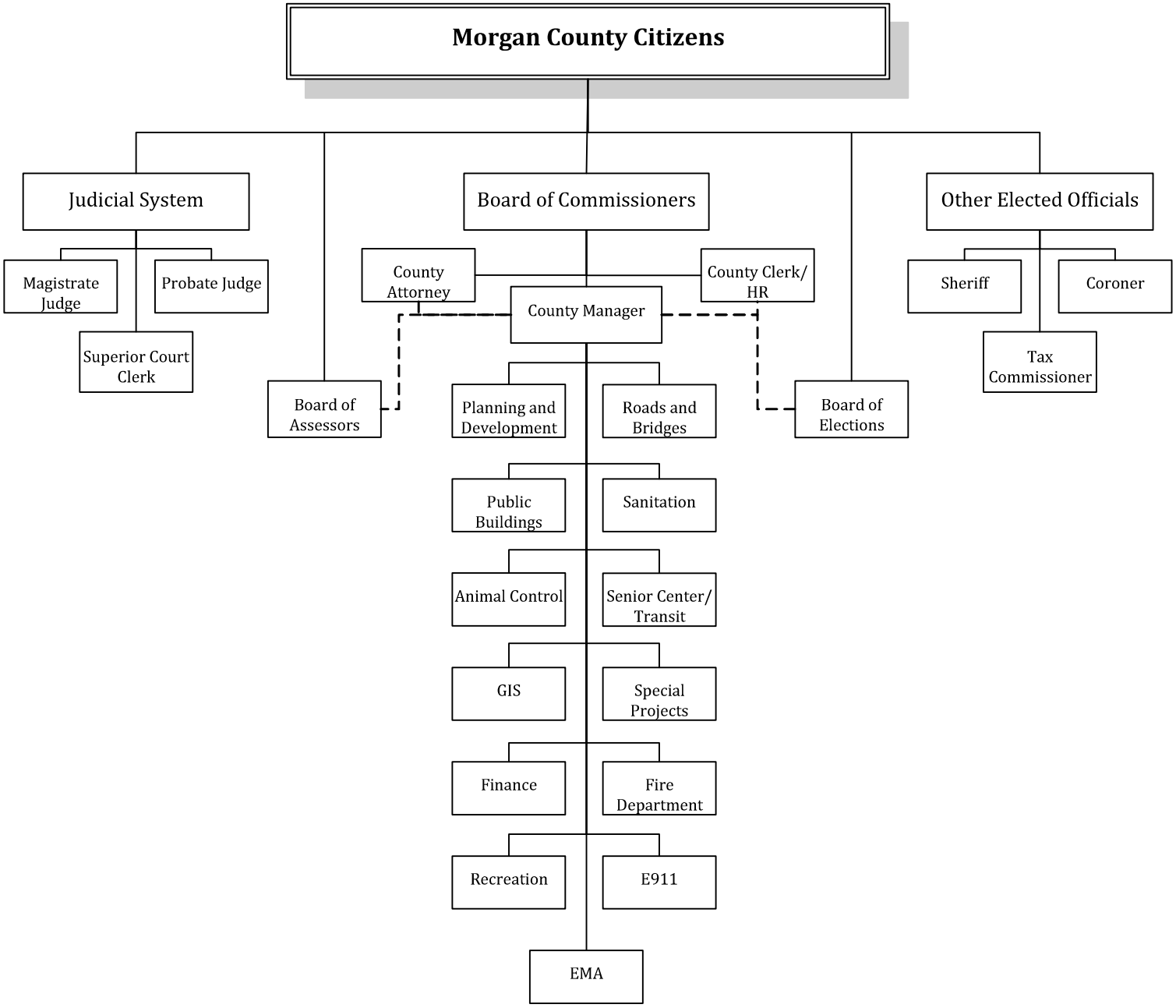
Commissioner District 1 Donald B. Harris
Commissioner District 2 Andy Ainslie, Chairman
Commissioner District 3 Philip Clack
Commissioner District 4 Ellen Warren
Commissioner District 5 Ron Milton, Vice Chair

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

Elected Officials

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

Morgan County Organizational Chart



Financial Section

BatesCarter
Exceeding expectations. Always.

PH 770.532.9131
FX 770.536.5223
525 CANDLER STREET, NE
P.O. DRAWER 2396
GAINESVILLE, GEORGIA 30503
WWW.BATESCARTER.COM

INDEPENDENT AUDITORS' REPORT
December 30, 2014

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, 2014, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Morgan County Health Department and the Morgan County Hospital Authority, component units of the County, as of and for the year then ended June 30, 2014, which statements reflect total assets of $478,666 and $4,875,000, as of June 30, 2014, and total revenues of $610,695 and $14,139,000, respectively, for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Morgan County Health Department and the Morgan County Hospital Authority, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of MORGAN COUNTY, GEORGIA, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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 introductory section, combining and individual nonmajor fund financial statements, supplemental

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

The combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, and the accompanying Schedule of Projects Constructed with Special Sales Tax Proceeds which is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-12 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2014, on our consideration of the MORGAN COUNTY, GEORGIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MORGAN COUNTY, GEORGIA's internal control over financial reporting and compliance.

Bates Carter & Co., LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Morgan County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2014. 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, 2014.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2014 by $58,344,218 (Net Position). Of this amount, $3,300,738 is considered unrestricted and can be used to meet the County's ongoing obligations.

- The County's total net position decreased by $(4,793,440) (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 50 and 51 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 14-46 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's pension plans on pages 47 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 50-59 of this report, and Schedules of Projects Constructed with Special Purpose Local Option Sales Tax can be found on page 60-62.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

During fiscal year 2014, Morgan County, on an entity-wide basis, net position decreased $(4,793,440) which is the result of adding the $(4,697,451) decrease in governmental activities and the decrease in net position for business type activities of $(95,989). 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 $58,344,218, of which $54,824,155, 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 2014	Governmental Activities 2013	Business-type Activities 2014	Business-type Activities 2013	Total Primary Government 2014	Total Primary Government 2013
Capital assets (net of depreciation)	$ 69,732,781	$ 70,392,639	$ 575,162	$ 605,828	$ 70,307,943	$ 70,998,467
Current and other assets	5,170,420	8,632,599	(59,929)	17,318	5,110,491	8,649,917
Total Assets	74,903,201	79,025,238	515,233	623,146	75,418,434	79,648,384
Total deferred outflows of resources	-	-	-	-	-	-
Long-term liabilities	-	14,846,291	344,243	357,111	344,243	15,203,402
Other liabilities	16,699,470	1,277,765	30,503	29,559	16,729,973	1,307,324
Total liabilities	16,699,470	16,124,056	374,746	386,670	17,074,216	16,510,726
Total deferred inflows of resources	-	-	-	-	-	-
Net Position:						
Net investment in capital assets	54,248,993	56,643,351	575,162	605,828	54,824,155	57,249,179
Restricted	219,325	864,445	-	-	219,325	864,445
Unrestricted	3,735,413	5,393,386	(434,675)	(369,352)	3,300,738	5,024,034
Total net position	$ 58,203,731	$ 62,901,182	$ 140,487	$ 236,476	$ 58,344,218	$ 63,137,658

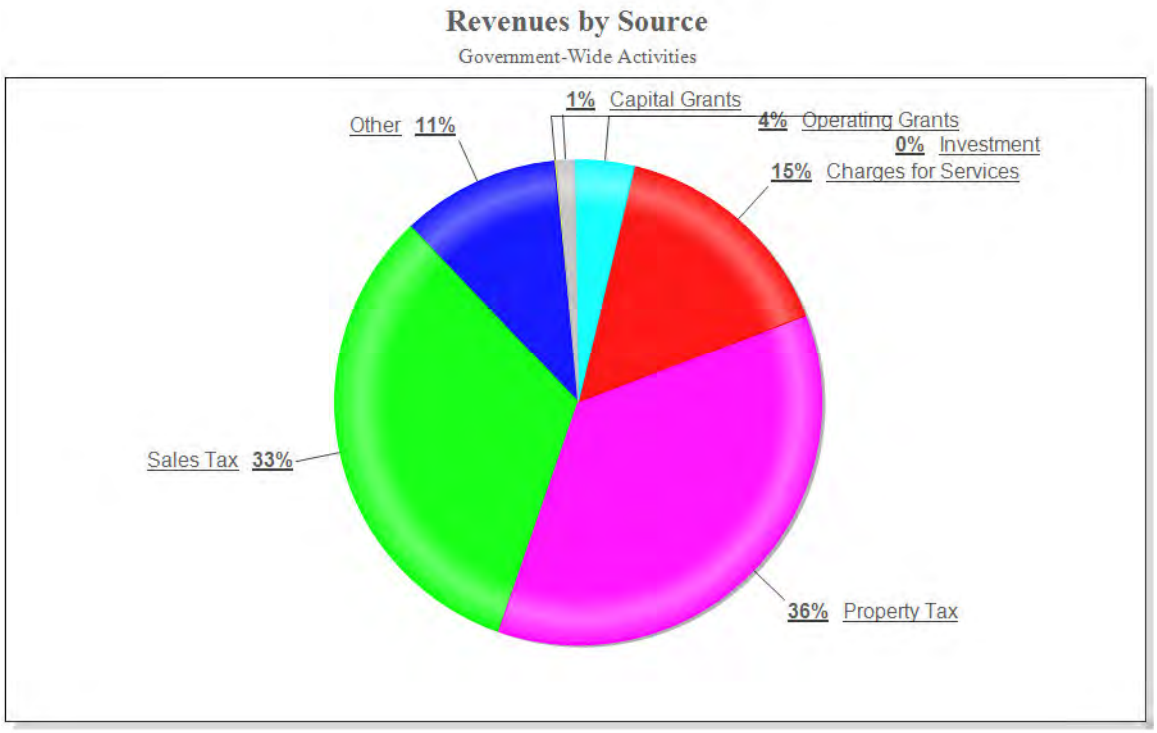
Total government-wide revenue for fiscal year 2014 was $17,990,622. Of this amount, $17,726,268 was in governmental activities and $264,354 in business-type activities. The chart below shows the distribution of total primary government revenues.

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

	Governmental Activities 2014	Governmental Activities 2013	Business-type Activities 2014	Business-type Activities 2013	Total Primary Government 2014	Total Primary Government 2013
REVENUES						
Program revenues						
Charges for Services	$ 2,523,309	$ 3,374,485	$ 264,354	$ 256,398	$ 2,787,663	$ 3,630,883
Operating Grants and Contributions	709,529	3,838,006	-	-	709,529	3,838,006
Capital Grants and Contributions	238,788	472,996	-	-	238,788	472,996
Subtotal for Program Revenues	3,471,626	7,685,487	264,354	256,398	3,735,980	7,941,885
General revenues						
Property Taxes	6,475,245	6,230,340	-	-	6,475,245	6,230,340
Sales Taxes	5,881,799	6,023,650	-	-	5,881,799	6,023,650
Other Taxes	857,030	841,018	-	-	857,030	841,018
Unrestricted Investment Earnings	2,006	2,550	-	32	2,006	2,582
Grants and Contributions not restricted to a specific program	1,023,119	356,525	-	-	1,023,119	356,525
Gain on sale of capital assets	15,443	17,209	-	-	15,443	17,209
Subtotal for General Revenues	14,254,642	13,471,292	-	32	14,254,642	13,471,324
Total Revenues	17,726,268	21,156,779	264,354	256,430	17,990,622	21,413,209
EXPENSES						
Program expenses						
General Government	5,830,073	3,239,715	-	-	5,830,073	3,239,715
Judicial	1,172,178	1,163,564	-	-	1,172,178	1,163,564
Public Safety	6,535,907	6,417,068	-	-	6,535,907	6,417,068
Public Works	4,693,100	4,840,706	-	-	4,693,100	4,840,706
Health & Welfare	1,424,487	1,526,002	-	-	1,424,487	1,526,002
Recreation & Culture	1,100,502	1,073,367	-	-	1,100,502	1,073,367
Housing and Development	489,786	501,473	-	-	489,786	501,473
Interest and Paying Agent Fees	688,485	633,055	-	-	688,485	633,055
Solid Waste	-	-	849,544	868,546	849,544	868,546
Total expenses	21,934,518	19,394,950	849,544	868,546	22,784,062	20,263,496
Change in Net Position before Transfers	(4,208,250)	1,761,829	(585,190)	(612,116)	(4,793,440)	1,149,713
Transfers	(489,201)	(848,592)	489,201	848,592	-	-
Change in Net Position	(4,697,451)	913,237	(95,989)	236,476	(4,793,440)	1,149,713

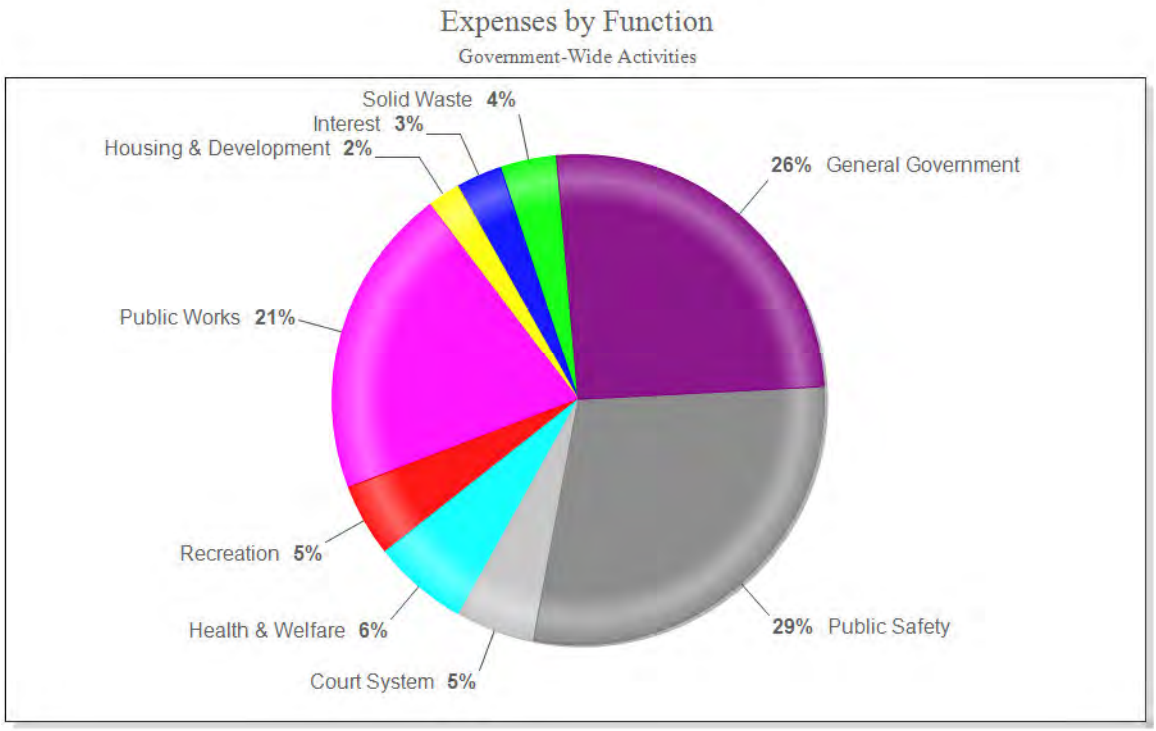
Net Position, beginning of year	62,901,182	62,244,318	236,476	-	63,137,658	62,244,318
Change in Accounting Principle	-	(256,373)	-	-	-	(256,373)
Net Position, beginning as restated	62,901,182	61,987,945	236,476	-	63,137,658	61,987,945
Net Position, end of year	$ 58,203,731	$ 62,901,182	$ 140,487	$ 236,476	$ 58,344,218	$ 63,137,658

General Revenues such as Property Taxes and Local Option Sales Tax supplement the Governmental Activities. General Government required $4,753,354, Judicial required $470,831, Public Safety required $5,693,981, Public Works required $4,692,799, Health and Welfare required $1,080,173, Recreation required $797,436, and Housing and Development required $285,833 of General Revenues.



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

Government-wide expenses were $22,784,062 for 2014, of which $21,934,518 were for governmental activities and $849,544 for business-type activities. The chart below shows further detail of total primary government expenses.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

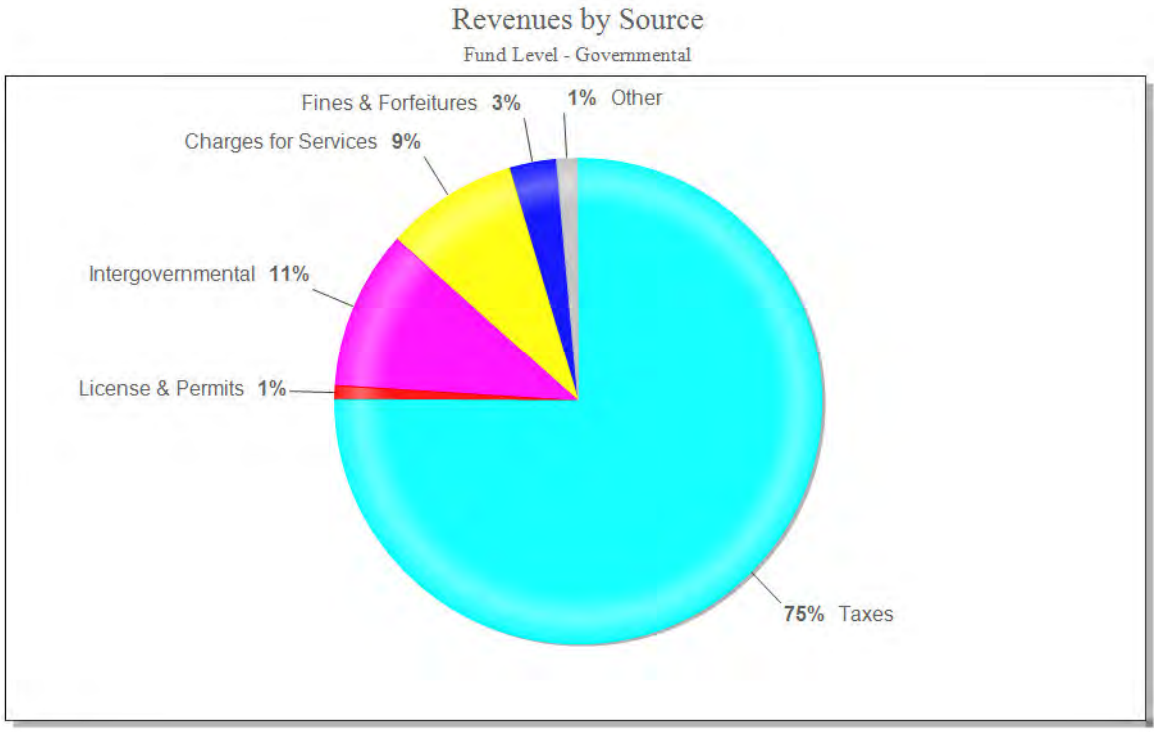
Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows and outflows of spendable resources. Such information is useful in evaluating a government's near-term financing requirements.

The primary governmental funds are the General Fund and SPLOST. As the County completed the year, its governmental funds (as presented in the balance sheet on page 3) reported a combined fund balance of $1,708,286, which is $(2,948,687) less than last year's total. The decrease in the SPLOST fund balance was $(2,019,931), which was the expenditure of tax proceeds collected in the prior year. The fund balance in the General Fund decreased by $(962,938). Local Option Sales taxes collected were about $(283,086) below projected budget and Property tax collections were below the budgeted amount by $(203,345).

In 2014, Governmental revenues increased $1,051,916 from fiscal year 2013. Property taxes increased $301,117 due to slight increase in the digest. Intergovernmental revenue increased $746,223 due to fewer grants for Public Safety. Investment income increased $1,546 due to higher interest rates and cash balances.

The total amount of sales tax revenue for fiscal year 2014 was $5,881,799, which is a (2.4)% decrease from fiscal year 2013 due to the allocation of the new TAVT . 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 fiscal year 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: the City of Madison receives 11.99%, the City of Rutledge receives 1.92%, the 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 it's City Park, continue the interconnection of sidewalks, and make sidewalk additions. The City of Buckhead will improve the fire station, sidewalks, Town Park, and purchase lawn care equipment.



Expenditures in the governmental funds totaled $22,821,248, which is an increase of $4,814,951 from fiscal year 2013. Expenditures for the General Fund of $16,106,596, increased $2,751,559. The General fund transferred $470,066 and $19,136 to Solid Waste and E911 funds, respectively, to subsidize operations this year. The County expenditures in SPLOST funds of $5,586,958 increased $1,866,759 from the prior year due to the timing of expenditures. Of the SPLOST expenditures, $2,521,564 of this was for capital outlay on planned projects and $1,841,012 was for debt service payments on the jail bonds. The remaining $1,224,382 is spread over multiple departments, primarily for the purpose of infrastructure repaving which is expensed.

In fiscal year 2014, Morgan County's fund balance of all governmental funds was 10% of revenues. At year end, the fund Balance in the General Fund was 21% 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 fiscal year 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 fiscal year 2014, Morgan County's Solid Waste Facility reported a loss of $(95,989). Operating revenues increased by $7,956 from fiscal year 2013. Of the total increase in operating revenue, sale of recycled materials increased $10,652. The Solid Waste Fund on its own does not generate sufficient revenues to fund operations; it relies on a subsidy from the General Fund. The General Fund decreased the transfer in from $848,592 in 2013, to $489,201 in 2014.

Expenses decreased $(19,003) from fiscal year 2013, which was due to a decrease in waste disposal fees.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Morgan County's government-wide investment in capital assets at June 30, 2014 was $54,824,155, net of accumulated depreciation and related debt. This investment, which includes land, buildings, roads, bridges, machinery and equipment, park facilities, and vehicles, is discussed in Note 6.

Government-wide additions, including donated assets in fiscal year 2014 were $2.88 million. Major capital asset activities in fiscal year 2014 were:

In Governmental Activities:

• County server replacement in the amount of $18,240.

• Restoration of emergency vehicles in the amount of $66,440.

• Paving Weaver Jones Road - 2.7 miles of new road $445,170.

• New Firestation and Storm Shelter, $1,193,883 and $231,697, respectively.

• E-911 Tower upgrades in the amount of $441,149.

• CISCO IP Phone System in the amount of $127,715.

Long-term debt. At June 30, 2014, Morgan County governmental activities had outstanding debt of $15,857,256. Of this amount $72,254 is from various capital leases, $15,411,534 is from contracts payable, $90,495 is from the net pension obligation, and $282,973 is from compensated absences payable. See note 7 for more details. Payments of $40,414 were made on capital leases. Payments of $1,376,908 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 48 and 49.

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

The final, amended budget was up $3.1 million which was due to a midyear budget amendment for the payoff of the unfunded portion of the net pension obligation of $2.5 million. An additional $300 thousand was due to damages from two winter storms. The County was reimbursed by insurance claims which were filed during the year. Actual revenue of $16,001,924 and expenditures of $16,964,862 resulted in a $962,938 reduction in fund balance. This was $406,727 less than the original budgeted use of fund balance. The reason for this was due to the County receiving an additional payment of $583,451 from the State of Georgia for Forest Land Protection Act which had been delayed from the previous year.

ECONOMIC FACTORS AND THE 2015 BUDGET

The economic outlook for 2015 is expected to improve. The County has used fund balance in order to balance the budget and maintain the current level of services over the previous three years. FY 2015 will see a $906 thousand (16%) increase in property taxes, $295 thousand increase in TAVT, and additional rent of $100 thousand. Expenditures will also increase $863 thousand over FY 2014 due to the following:

- Addition of one new full-time position added to the Sheriff's Department
- Two part-time to full-time in Fire Department
- 3% COLA increases
- 15% increase in health insurance

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, 2014

	PRIMARY GOVERNMENT			
ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
Cash	$ 1,375,051	$ -	$ 1,375,051	$ 1,440,178
Investments	-	-	-	74,000
Receivables (net of allowance for uncollectibles)	1,012,081	28,409	1,040,490	1,433,217
Internal balances	95,089	(95,089)	-	-
Inventories	30,427	-	30,427	206,000
Prepaid items	152,843	6,751	159,594	160,000
Investment in joint venture	2,504,740	-	2,504,740	-
Restricted assets:				
Cash	189	-	189	373,000
Non-current assets:				
Receivables	-	-	-	22,000
Capital assets:				
Capital assets not being depreciated	10,135,152	284,864	10,420,016	105,000
Capital assets being depreciated	104,141,793	1,271,185	105,412,978	9,214,075
Less: accumulated depreciation	(44,544,164)	(980,887)	(45,525,051)	(7,673,804)
Capital assets, net of depreciation	69,732,781	575,162	70,307,943	1,645,271
TOTAL ASSETS	74,903,201	515,233	75,418,434	5,353,666
TOTAL ASSETS & DEFERRED OUTFLOWS	74,903,201	515,233	75,418,434	5,353,666
LIABILITIES				
Accounts payable	312,555	22,606	335,161	528,203
Other accrued items	286,496	7,897	294,393	854,000
Unearned revenue	243,163	-	243,163	-
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	198,081	12,882	210,963	6,201
Accrued landfill closure / postclosure	-	24,880	24,880	-
Capital leases payable	42,592	-	42,592	365,000
Revenue bonds payable	-	-	-	90,000
Contracts payable	1,616,882	-	1,616,882	-
Due in more than one year				
Compensated absences payable	84,892	5,521	90,413	27,153
Net pension obligation	90,495	-	90,495	-
Accrued landfill closure / postclosure	-	300,960	300,960	-
Capital leases payable	29,662	-	29,662	83,000
Revenue bonds payable	-	-	-	300,000
Contracts payable	13,794,652	-	13,794,652	-
TOTAL LIABILITIES	16,699,470	374,746	17,074,216	2,253,557
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	16,699,470	374,746	17,074,216	2,253,557
NET POSITION				
Net investment in capital assets	54,248,993	575,162	54,824,155	809,271
Restricted for:				
Debt service	-	-	-	198,000
Judicial programs	9,655	-	9,655	-
Public safety programs	185,174	-	185,174	-
Health and welfare programs	24,496	-	24,496	164,000
Unrestricted	3,735,413	(434,675)	3,300,738	1,928,838
TOTAL NET POSITION	$ 58,203,731	$ 140,487	$ 58,344,218	$ 3,100,109

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

		.....PROGRAM REVENUES.....			....NET (EXPENSE) AND CHANGES IN NET POSITION.... .....PRIMARY GOVERNMENT.....			
FUNCTIONS/PROGRAMS	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	$ 5,830,073	$ 896,917	$ 179,802	$ -	$ (4,753,354)	$ -	$ (4,753,354)	$ -
Judicial	1,172,178	701,347	-	-	(470,831)	-	(470,831)	-
Public safety	6,535,907	427,289	176,150	238,487	(5,693,981)	-	(5,693,981)	-
Public works	4,693,100	-	-	301	(4,692,799)	-	(4,692,799)	-
Public health and welfare	1,424,487	21,741	322,573	-	(1,080,173)	-	(1,080,173)	-
Recreation and culture	1,100,502	272,062	31,004	-	(797,436)	-	(797,436)	-
Housing and development	489,786	203,953	-	-	(285,833)	-	(285,833)	-
Interest	688,485	-	-	-	(688,485)	-	(688,485)	-
Total Governmental Activities	21,934,518	2,523,309	709,529	238,788	(18,462,892)	-	(18,462,892)	-
BUSINESS-TYPE ACTIVITIES								
Solid waste/recycling	849,544	264,354	-	-	-	(585,190)	(585,190)	-
Total Business-Type Activities	849,544	264,354	-	-	-	(585,190)	(585,190)	-
TOTAL PRIMARY GOVERNMENT	$ 22,784,062	$ 2,787,663	$ 709,529	$ 238,788	(18,462,892)	(585,190)	(19,048,082)	-
COMPONENT UNITS								
Health Department	$ 602,854	$ 182,349	$ 427,667	$ -	-	-	-	7,162
Hospital Authority	14,184,000	12,963,000	812,000	117,000	-	-	-	(292,000)
TOTAL COMPONENT UNITS	$ 14,786,854	$ 13,145,349	$ 1,239,667	$ 117,000	-	-	-	(284,838)
GENERAL REVENUES								
Property taxes					6,475,245	-	6,475,245	-
Sales taxes					5,881,799	-	5,881,799	-
Insurance premium taxes					583,868	-	583,868	-
Real estate recording taxes					115,432	-	115,432	-
Other taxes					157,730	-	157,730	-
Total taxes					13,214,074	-	13,214,074	-
Unrestricted investment earnings					2,006	-	2,006	7,679
Grants and contributions not restricted to a specific program					1,023,119	-	1,023,119	-
Gain on sale of capital assets					15,443	-	15,443	240,000
TRANSFERS					(489,201)	489,201	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					13,765,441	489,201	14,254,642	247,679
CHANGES IN NET POSITION					(4,697,451)	(95,989)	(4,793,440)	(37,159)
NET POSITION, Beginning					62,901,182	236,476	63,137,658	3,137,268
NET POSITION, Ending					$ 58,203,731	$ 140,487	$ 58,344,218	$ 3,100,109

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

ASSETS	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash	$ 870,234	$ 314,245	$ 190,573	$ 1,375,052
Receivables (net of allowance for uncollectibles)	623,664	285,417	103,001	1,012,082
Interfund receivables	1,706,644	-	-	1,706,644
Prepaid items	151,074	-	1,769	152,843
Inventories	30,427	-	-	30,427
Restricted assets:				
Cash	-	189	-	189
TOTAL ASSETS	$ 3,382,043	$ 599,851	$ 295,343	$ 4,277,237
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 163,010	$ 130,965	$ 18,583	$ 312,558
Other accrued items	274,263	-	12,232	286,495
Interfund payables	-	1,566,352	45,203	1,611,555
Unearned revenue	-	243,163	-	243,163
TOTAL LIABILITIES	437,273	1,940,480	76,018	2,453,771
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	115,180	-	-	115,180
TOTAL DEFERRED INFLOWS OF RESOURCES	115,180	-	-	115,180
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	552,453	1,940,480	76,018	2,568,951
FUND BALANCES				
Nonspendable:				
Prepaid expenditure	151,074	-	1,769	152,843
Inventories	30,427	-	-	30,427
Restricted:				
Judicial programs	-	-	9,655	9,655
Public safety programs	-	-	183,760	183,760
Health and welfare programs	-	-	24,496	24,496
Unassigned:	2,648,089	(1,340,629)	(355)	1,307,105
TOTAL FUND BALANCES	2,829,590	(1,340,629)	219,325	1,708,286
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 3,382,043	$ 599,851	$ 295,343	$ 4,277,237

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, 2014

Total Fund Balances for Governmental Funds (page 3)		$ 1,708,286
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.		69,732,781
Some assets are not available in the current period and therefore are not reported in the funds.		
Investment in joint venture	2,504,740	2,504,740
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		
Property Taxes	115,180	115,180
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	(90,495)	
Compensated absences	(282,973)	
Capital leases	(72,254)	
Contracts payable	(15,411,534)	(15,857,256)
Total net position of governmental activities (page 1)		$ 58,203,731

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, 2014

	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	$ 9,914,655	$ 3,399,884	$ 45,589	$ 13,360,128
Licenses and permits	162,241	-	-	162,241
Intergovernmental	1,366,098	150,599	389,678	1,906,375
Fines and forfeitures	451,470	-	106,706	558,176
Charges for services	1,253,230	-	313,939	1,567,169
Contributions and donations	51,037	-	13,723	64,760
Investment income	1,811	346	149	2,306
Miscellaneous	167,607	-	-	167,607
TOTAL REVENUES	13,368,149	3,550,829	869,784	17,788,762
EXPENDITURES				
Current Expenditures				
General government	5,482,854	-	-	5,482,854
Judicial	1,143,982	-	24,938	1,168,920
Public safety	4,803,480	17,969	794,762	5,616,211
Public works	1,406,654	684,293	-	2,090,947
Public health and welfare	1,352,015	-	-	1,352,015
Recreation and culture	1,049,908	-	-	1,049,908
Housing and development	457,427	-	27,367	484,794
Intergovernmental	-	522,120	-	522,120
Capital outlay	108,096	2,521,564	235,251	2,864,911
Debt service				
Principal	181,908	1,195,000	40,414	1,417,322
Interest	120,272	646,012	4,962	771,246
TOTAL EXPENDITURES	16,106,596	5,586,958	1,127,694	22,821,248
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(2,738,447)	(2,036,129)	(257,910)	(5,032,486)
OTHER FINANCING SOURCES (USES)				
Sale of county property	73,000	-	-	73,000
Issuance of contracts payable	2,500,000	-	-	2,500,000
Transfers in	60,775	35,334	352,867	448,976
Transfers out	(858,266)	(19,136)	(60,775)	(938,177)
TOTAL OTHER FINANCING SOURCES (USES)	1,775,509	16,198	292,092	2,083,799
NET CHANGE IN FUND BALANCES	(962,938)	(2,019,931)	34,182	(2,948,687)
FUND BALANCES, Beginning of year	3,792,528	679,302	185,143	4,656,973
FUND BALANCES, End of year	$ 2,829,590	$ (1,340,629)	$ 219,325	$ 1,708,286

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, 2014

Net change in fund balances (page 5)		$ (2,948,687)
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	2,864,911	
Depreciation expense	(3,467,213)	
		(602,302)
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	(57,556)	
		(57,556)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	115,180	
Investment in joint venture	2,504,740	
		2,619,920
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(261,235)	
Investment in joint venture	(2,436,625)	
		(2,697,860)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities. This adjustment combines the net change of two balances.		
Proceeds from borrowing including premiums and discounts	(2,500,000)	
Principal payments on long-term debt	1,417,322	
Amortization of bond premium and discounts	82,762	
		(999,916)
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	(282,973)	
Compensated absences, prior year	271,431	
		(11,542)
Net pension obligation is not available during the current period and therefore is not reported in the funds.		
End of year	(90,495)	
Beginning of year	90,988	
		493
Rounding		(1)
Changes in net position of governmental activities (page 2)		$ (4,697,451)

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS
	SOLID WASTE DISPOSAL FACILITY
ASSETS	
Current Assets	
Receivables (net of allowance for uncollectibles)	$ 28,409
Prepaid items	6,751
TOTAL CURRENT ASSETS	35,160
Noncurrent Assets	
Capital assets	
Capital assets not being depreciated	284,864
Capital assets being depreciated	1,271,185
Less: accumulated depreciation	(980,887)
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	575,162
TOTAL NONCURRENT ASSETS	575,162
TOTAL ASSETS	610,322
LIABILITIES	
Current Liabilities	
Accounts payable	22,606
Other accrued items	7,897
Interfund payables	95,089
Compensated absences payable	12,882
Accrued landfill closure/postclosure	24,880
TOTAL CURRENT LIABILITIES	163,354
Noncurrent Liabilities	
Compensated absences payable	5,521
Accrued landfill closure/postclosure	300,960
TOTAL NONCURRENT LIABILITIES	306,481
TOTAL LIABILITIES	469,835
NET POSITION	
Investment in capital assets	575,162
Unrestricted	(434,675)
TOTAL NET POSITION	$ 140,487

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, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS
	SOLID WASTE DISPOSAL FACILITY
OPERATING REVENUES	
Charges for services-other	$ 264,354
Total Operating Revenues	264,354
OPERATING EXPENSES	
Salaries and benefits	316,578
Other services and charges	103,921
Landfill closure/postclosure costs	8,665
Depreciation	50,553
Waste disposal fees	357,131
Repairs and maintenance	12,696
Total Operating Expenses	849,544
OPERATING INCOME (LOSS)	(585,190)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(585,190)
Transfer in	489,201
CHANGE IN NET POSITION	(95,989)
TOTAL NET POSITION, Beginning of year	236,476
TOTAL NET POSITION, End of year	$ 140,487

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, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS SOLID WASTE DISPOSAL FACILITY
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customer	$ 278,571
Payments to suppliers	(434,939)
Payments to employees	(312,946)
Net cash provided by (used in) operating activities	(469,314)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	470,065
Net Cash provided (used) by non-capital financing activities	470,065
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(19,887)
Transfers in	19,136
Net cash provided (used) by capital and related financing activities	(751)
Net increase (decrease) in cash and cash equivalents	-
CASH, Beginning of year	-
CASH, End of year	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ (585,190)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	50,553
(Increase) decrease in:	
Accounts receivable	14,217
Prepaid expenses	(1,565)
Increase (decrease) in:	
Accounts payable	(956)
Compensated absences	1,732
Accrued landfill costs	(14,600)
Other accrued items	1,900
Interfund payables	64,595
Net cash provided by (used in) operating activities	$ (469,314)

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2014

	BRASWELL FUND PRIVATE PURPOSE TRUST FUND	AGENCY FUNDS
ASSETS		
Cash	$ 10,119	$ 570,071
Investments:		
Common stocks	60,395	-
Mutual funds, equities	224,751	-
Mutual funds, debt securities	46,568	-
TOTAL ASSETS	341,833	570,071
LIABILITIES		
Funds held in trust	-	570,071
TOTAL LIABILITIES	-	570,071
NET POSITIONS		
Restricted for orphan care	341,833	-
TOTAL NET POSITION	$ 341,833	$ -

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, 2014

	BRASWELL FUND PRIVATE PURPOSE TRUST FUND
ADDITIONS	
Investment earnings	
Interest earned	$ 6
Dividend income	15,018
Net change in fair value of investments	45,078
Total investment earnings	60,102
Interest and investment expense	(3,764)
Net investment earnings	56,338
TOTAL ADDITIONS	56,338
DEDUCTIONS	
Tuition	7,651
Administrative expenses	7,957
TOTAL DEDUCTIONS	15,608
CHANGE IN NET POSITION	40,730
NET POSITION, Beginning of year	301,103
NET POSITION, End of year	$ 341,833

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
June 30, 2014

	HEALTH DEPARTMENT	HOSPITAL AUTHORITY	TOTAL
ASSETS			
Cash	$ 452,178	$ 988,000	$ 1,440,178
Investments	-	74,000	74,000
Receivables (net of allowance for uncollectibles)	10,217	1,423,000	1,433,217
Inventories	-	206,000	206,000
Prepaid items	-	160,000	160,000
Restricted assets:			
Cash	-	373,000	373,000
Non-current assets:			
Receivables	-	22,000	22,000
Capital assets:			
Capital assets not being depreciated	-	105,000	105,000
Capital assets being depreciated	62,075	9,152,000	9,214,075
Less: accumulated depreciation	(45,804)	(7,628,000)	(7,673,804)
Capital assets, net of depreciation	16,271	1,629,000	1,645,271
TOTAL ASSETS	478,666	4,875,000	5,353,666
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	478,666	4,875,000	5,353,666
LIABILITIES			
Accounts payable	18,203	510,000	528,203
Other accrued items	-	854,000	854,000
Noncurrent liabilities:			
Due within one year			
Compensated absences payable	6,201	-	6,201
Capital leases payable	-	365,000	365,000
Revenue bonds payable	-	90,000	90,000
Due in more than one year			
Compensated absences payable	27,153	-	27,153
Capital leases payable	-	83,000	83,000
Revenue bonds payable	-	300,000	300,000
TOTAL LIABILITIES	51,557	2,202,000	2,253,557
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	51,557	2,202,000	2,253,557
NET POSITION			
Net investment in capital assets	16,271	793,000	809,271
Restricted for:			
Debt service		198,000	198,000
Public health and welfare	-	164,000	164,000
Unrestricted	410,838	1,518,000	1,928,838
TOTAL NET POSITION	$ 427,109	$ 2,673,000	$ 3,100,109

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, 2014

		.....PROGRAM REVENUES.....			....NET (EXPENSE) AND CHANGES IN NET POSITION....		
FUNCTIONS/PROGRAMS	**EXPENSES**	**CHARGES FOR SERVICES**	**OPERATING GRANTS AND CONTRIBUTIONS**	**CAPITAL GRANTS AND CONTRIBUTIONS**	**HEALTH DEPARTMENT**	**HOSPITAL AUTHORITY**	**TOTAL**
COMPONENT UNITS							
GOVERNMENTAL ACTIVITIES							
Health Department	$ 602,854	$ 182,349	$ 427,667	$ -	$ 7,162	$ -	$ 7,162
Hospital Authority	14,184,000	12,963,000	812,000	117,000	-	(292,000)	(292,000)
TOTAL COMPONENT UNITS	$ 14,786,854	$ 13,145,349	$ 1,239,667	$ 117,000	7,162	(292,000)	(284,838)
GENERAL REVENUES							
Unrestricted investment earnings					679	7,000	7,679
Gain on sale of capital assets					-	240,000	240,000
TOTAL GENERAL REVENUES AND TRANSFERS					679	247,000	247,679
CHANGES IN NET POSITION					7,841	(45,000)	(37,159)
NET POSITION, Beginning					419,268	2,718,000	3,137,268
NET POSITION, Ending					$ 427,109	$ 2,673,000	$ 3,100,109

The accompanying notes are an integral part of this statement.

MORGAN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

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

Brief descriptions of discretely presented component units follow:

MORGAN COUNTY HOSPITAL AUTHORITY: The hospital authority owns and operates a twenty 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 2014, the County transferred $600,000 to the hospital authority. The hospital authority is presented as a proprietary fund type.

MORGAN COUNTY HEALTH DEPARTMENT: The health department is charged with determining the health needs and resources of its jurisdiction, developing programs, activities, and facilities responsive to those needs, and enforcing all laws related to health matters, unless they fall under the jurisdiction of other agencies. The health department is governed by the Morgan County Board of Health (Board). The Board includes seven members representing government, health professions, and the needy. The County appoints the voting majority of the board. Additionally, the health department is fiscally dependent on the County since it must have its budget approved by the County. During 2014, the County transferred $152,105 to the health department. The health department is presented as a governmental fund type.

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

Morgan County Health Department 259 North Second Street Madison, Georgia 30650-1317	Morgan County Hospital Authority 1077 South Main Street Madison, Georgia 30650-2073

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the 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.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

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

The County reports the following major governmental funds:

> The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The *SPLOST Capital Projects Fund* accounts for funds received from a local 1% sales tax reserved for construction of various capital projects.

The County reports the following major proprietary funds:

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

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

> *Private-purpose trust funds* account for assets held by the County under the terms of a formal trust agreement and are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The Braswell Fund, a testamentary trust fund, is the private-purpose trust fund. The Fund is restricted to the use of educating orphaned children who reside in the County.
>
> *Agency funds* are custodial in nature and do not represent results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Tax Commissioner, Clerk of Court, Probate Court, Magistrate Court, and Sheriff holds for others in an agency capacity.

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

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

Proprietary funds distinguish operating revenues and expenses from 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 County's policy to use restricted resources first, then unrestricted resources as they are needed.

ASSETS, LIABILITIES AND NET POSITION OR EQUITY

Deposits and Investments

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

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

Receivables and Payables

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

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

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

Property taxes attach as an enforceable lien on property as of January 1. The 2013 taxes were levied October 20, 2013, 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, 2014.

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

Inventories and Prepaid Items

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

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

Bond Premiums and Discounts

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 2014 was $82,762. None of these costs were capitalized in 2014.

Restricted Assets

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

Capital Assets

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

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

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

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

Deferred Outflows/Inflows of Resources

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

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is reported for unpaid accumulated sick leave because the benefits are paid only upon illness of an employee, and the amount of such payments cannot be reasonably estimated. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. 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.

Long-term Obligations

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

Fund Equity/Net Position

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

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:

> 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.
>
> 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.

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.

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.

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

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

Net Investment in Capital Assets

The "Net investment in capital assets" reported on the government-wide statement of net position as of June 30, 2014, are as follows:

Net investment in capital assets	Governmental Activities	Business-type Activities
Cost of capital assets	$ 114,276,945	$ 1,556,049
Less accumulated depreciation	(44,544,164)	(980,887)
Book value	69,732,781	575,162
Less capital related debt	(15,483,788)	-
Net investment in capital assets	$ 54,248,993	$ 575,162

Management Estimates

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

NOTE 2 - FUND BALANCE/NET POSITION

The governmental activities statement of net position reports $219,325 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:	
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.	$ 9,655
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.	113,024
Sheriff's Law Enforcement - to account for funds from seizures to be used for law enforcement activities.	70,736
Subtotal - Restricted for Public Safety Programs	183,760
Health and Welfare Programs -	
Restricted Programs Fund - To account for funds received from surcharges on fines and forfeitures restricted for youth enrichment activities.	24,496
Total Restricted Fund Balance	$ 217,911

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(A) BUDGETARY INFORMATION

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

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

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

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

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

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

(B) DEFICIT FUND BALANCE

At June 30, 2014, the SPLOST fund had a fund balance deficit of $(1,340,629), which resulted from new Fire and EMS facility on Mars Hill Road. In 2015, the County will adjust to control spending to eliminate the fund deficit.

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 County's deposits may not be returned. The County's policies permit it to exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions if the funds are otherwise adequately secured. As of June 30, 2014, 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 County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest Rate Risk

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

Credit Risk

State statutes authorize the County to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state or of other states and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation of the United States government. 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 County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest Rate Risk

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

Credit Risk

The Braswell fund is authorized to invest in securities in accordance with the will that established the fund. The Braswell Fiduciary Fund has no investment policy that would further limit its investment choices. At June 30, 2014, 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, 2014, 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, 2014, the Braswell Fiduciary Fund had the following investments:

Investment Type	Fair Value	Rating	Rating Agency	Weighted Average Maturity (Years)
Common Stocks	$ 60,395	n/a	n/a	n/a
Mutual Funds	224,751	n/a	n/a	n/a
Subtotal Equity Securities	285,146			
Mutual Fund Debt Securities	46,568	BB	Morningstar	9.66
Total Investments	$ 331,714			

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

NOTE 5 - RECEIVABLES

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

	General Fund	SPLOST	Nonmajor Governmental Funds	Enterprise Fund Solid Waste
Receivables:				
Property Taxes	$ 115,180	$ -	$ -	$ -
Fines	-	-	-	-
Accounts	158,771	-	53,779	28,409
Intergovernmental	349,713	285,417	49,222	-
Total Gross Receivables	623,664	285,417	103,001	28,409
Less: Allowance for Uncollectibles	-	-	-	-
Total Net Receivables	$ 623,664	$ 285,417	$ 103,001	$ 28,409

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)	$ 115,180	$ -	$ 115,180
Total unearned revenue for governmental funds	$ 115,180	$ -	$ 115,180

Property taxes receivable at June 30, 2014, consist of the following:

DIGEST YEAR	GENERAL FUND
2014[1]	$ 6,554
2013	49,854
2012	26,058
2011	10,023
2010	4,394
2009	2,749
2008	1,955
2007	1,996
2006	2,270
2005	2,828
2004	627
2003	836
2002	1,966
2001	1,063
2000 & prior	2,007
Total	$ 115,180

(1) 2014 only consists of taxes due on mobile homes. Taxes on real and personal property are not levied until after fiscal year end. Therefore, they are not included.

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

	Health Department	Hospital Authority
Receivables:		
Accounts	$ 76	$ 2,884,000
Intergovernmental	10,141	314,000
Total Gross Receivables	10,217	3,198,000
Less: Allowance for Uncollectibles	-	(1,775,000)
Total Net Receivables	$ 10,217	$ 1,423,000

NOTE 6 - CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital asset activity for the year ended June 30, 2014, was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 9,874,317	$ -	$ -	$ -	$ 9,874,317
Construction in progress	159,579	260,835	-	(159,579)	260,835
Total non-depreciable capital assets	10,033,896	260,835	-	(159,579)	10,135,152
Depreciable Assets:					
Land improvements	533,415	-	-	-	533,415
Buildings and improvements	34,190,067	1,373,793	-	51,786	35,615,646
Machinery and equipment	3,821,581	705,424	(186,109)	98,153	4,439,049
Vehicles	5,300,695	78,000	(105,289)	-	5,273,406
Infrastructure	57,823,778	446,859	-	9,640	58,280,277
Total depreciable capital assets	101,669,536	2,604,076	(291,398)	159,579	104,141,793
Less Accumulated Depreciation for:					
Land improvements	324,379	26,998	-	-	351,377
Buildings and improvements	6,765,865	856,147	-	-	7,622,012
Machinery and equipment	2,857,956	295,401	(128,553)	-	3,024,804
Vehicles	4,283,014	273,905	(105,289)	-	4,451,630
Infrastructure	27,079,579	2,014,762	-	-	29,094,341
Total accumulated depreciation	41,310,793	3,467,213	(233,842)	-	44,544,164
Total depreciable capital assets, net	60,358,743	(863,137)	(57,556)	159,579	59,597,629
Governmental activities capital assets, net	$ 70,392,639	$ (602,302)	$ (57,556)	$ -	$ 69,732,781

Additions to governmental activities capital assets for fiscal year ending June 30, 2014, consist of the following:

Capital Outlay	$ 2,864,911
Total	$ 2,864,911

Non-depreciable capital assets additions	$ 260,835
Depreciable capital assets additions	2,604,076
Total	$ 2,864,911

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Business-type Activities:					
Non-Depreciable Assets:					
Land and improvements	$ 284,864	$ -	$ -	$ -	$ 284,864
Depreciable Assets:					
Land improvements	103,308	-	-	-	103,308
Buildings and improvements	119,724	19,887	-	-	139,611
Machinery and equipment	727,360	-	-	-	727,360
Vehicles	300,906	-	-	-	300,906
Total depreciable capital assets	1,251,298	19,887	-	-	1,271,185
Less Accumulated Depreciation for:					
Land improvements	43,558	11,091	-	-	54,649
Buildings	85,303	3,822	-	-	89,125
Equipment	500,567	35,640	-	-	536,207
Vehicles	300,906	-	-	-	300,906
Total accumulated depreciation	930,334	50,553	-	-	980,887
Total depreciable capital assets, net	320,964	(30,666)	-	-	290,298
Business-type activities capital assets, net	$ 605,828	$ (30,666)	$ -	$ -	$ 575,162

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

Governmental Activities:	
General Government	$ 349,096
Public Safety	910,942
Public Works	2,077,913
Public Health and Welfare	71,932
Recreation and Culture	52,850
Housing and Development	4,480
Total depreciation expense-governmental activities	$ 3,467,213
Business-type Activities:	
Solid Waste	$ 50,553

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, 2014, and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

	Project Authorization	Expended To Date	Contracts in Progress	Authorized Not Obligated	Sources
Governmental Activities:					
Fire Engine Pumper	$ 245,342	$ 245,342	$ -	$ -	SPLOST
Farmer's Market Project	100,000	11,713	-	88,287	SPLOST/Grant
Field Improvements	5,000	3,780	-	1,220	SPLOST
Total	$ 350,342	$ 260,835	$ -	$ 89,507	

DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Machinery and equipment	$ 63,285	$ 5,785	$ (6,995)	$ 62,075
Less Accumulated Depreciation	(46,983)	(5,816)	6,995	(45,804)
Capital Assets, net	$ 16,302	$ (31)	$ -	$ 16,271

Activity for the *Hospital Authority* for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Non-Depreciable Assets:				
Land	$ 105,000	$ -	$ -	$ 105,000
Total Non-Depreciable Assets	105,000	-	-	105,000
Depreciable Assets:				
Land improvements	61,000	-	-	61,000
Buildings and improvements	3,575,000	20,000	86,000	3,681,000
Equipment	5,324,000	124,000	(38,000)	5,410,000
Total Depreciable assets	8,960,000	144,000	48,000	9,152,000
Less Accumulated Depreciation for:				
Land improvements	(61,000)	-	-	(61,000)
Buildings and improvements	(2,827,000)	(90,000)	27,000	(2,890,000)
Equipment	(4,063,000)	(620,000)	6,000	(4,677,000)
Total accumulated depreciation	(6,951,000)	(710,000)	33,000	(7,628,000)
Total depreciable capital assets, net	2,009,000	(566,000)	81,000	1,524,000
Capital Assets, net	$ 2,114,000	$ (566,000)	$ 81,000	$ 1,629,000

NOTE 7 - LONG TERM DEBT

Long-term liability activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Capital leases	$ 112,668	$ -	$ (40,414)	$ 72,254	$ 42,592	$ 29,662
Contracts payable	13,936,827	2,500,000	(1,376,908)	15,059,919	1,541,776	13,518,143
Plus: Original issue Premiums	434,377	-	(82,762)	351,615	75,106	276,509
Subtotal Contracts Payable	14,371,204	2,500,000	(1,459,670)	15,411,534	1,616,882	13,794,652
Net pension obligation	90,988	803,724	(804,217)	90,495	-	90,495
Compensated absences	271,431	194,220	(182,678)	282,973	198,081	84,892
Governmental activities long-term liabilities	$ 14,846,291	$ 3,497,944	$ (2,486,979)	$ 15,857,256	$ 1,857,555	$ 13,999,701
Business-type Activities:						
Compensated absences	$ 16,671	$ 10,051	$ (8,319)	$ 18,403	$ 12,882	$ 5,521
Landfill closure/postclosure	340,440	8,665	(23,265)	325,840	24,880	300,960
Business-type activities long-term liabilities	$ 357,111	$ 18,716	$ (31,584)	$ 344,243	$ 37,762	$ 306,481

CAPITAL LEASES

The County leases certain equipment under non-cancelable capital leases. The leases relate to E911 Center equipment. This year, $39,822 was included in depreciation expense. Ownership of the related assets will be transferred to the County at the end of the lease terms. The assets acquired through capital leases are as follows:

	Governmental Activities
Machinery and equipment	$ 199,110
Less: Accumulated Depreciation	(119,466)
Total	$ 79,644

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Year Ending June 30,	Governmental Activities
2015	$ 45,376
2016	30,250
Total minimum lease payments	75,626
Less: amount representing interest (6.45%)	(3,372)
Present value of minimum lease payments	$ 72,254

CONTRACTS PAYABLE

During 2000, the County entered into an intergovernmental contract with the Development Authority of Walton County to acquire land for an industrial park and issue the "Development Authority of Walton County (Georgia) Industrial Park Revenue Bond Anticipation Note, Series 1998" in order to finance the acquisition of land for the Industrial Park Project. The total amount of this issue was $7,500,000. Morgan County's share of the debt was 15%, or $1,125,000. During 2001, this revenue bond anticipation note was replaced by a revenue bond issued by the Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County (JDA) in the amount of $9,000,000. Morgan County's share of the debt is 15%. The outstanding balance of this debt at June 30, 2014, is $4,200,000 with Morgan County's share being $630,000.

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

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

In an effort to reduce the interest rate back to the terms in effect at June 30, 2008, the JDA obtained a letter of credit from a bank in the amount of $6,474,667 ($6,400,000 principal and $74,667 interest component). This was replaced by another letter of credit from a bank in the amount of $5,65,334 ($5,600,000 principal and $65,334 interest component). This letter of credit has a stated expiration date of November 18, 2016. The variable interest rate as of June 30, 2014 is 0.20%. The annual requirements to amortize the JDA bond using terms in effect as of June 30, 2014, are as follows:

Year ending, June 30,	Principal	Interest	Total
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	90,000	600	90,600
2020-2022	210,000	630	210,630
Total	$ 630,000	$ 5,340	$ 635,340

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, 2014 is $42,675.

The annual requirements to amortize the GEFA loan using terms in effect as of June 30, 2014, are as follows:

Year ending June 30,	Principal	Interest	Total
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	5,232	1,026	6,258
2020-2024	18,774	1,563	20,337
Total	$ 42,675	$ 8,952	$ 51,627

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 2016), the loan will be at 1.8% annually. No payments are required until the sooner of January 1, 2020, or FDA approval of the Baxter facility. Morgan County is responsible for 15% of the debt service payments. Morgan County's share of the $5.9 million loan is $885,000.

During 2008, the County entered into an intergovernmental contract with the Morgan County Building Authority for $19,000,000 to acquire the land, 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, 2014 is $11,990,000.

The annual requirements to amortize Jail Bonds using terms in effect as of June 30, 2014, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,525,000	315,512	1,840,512
2020-2024	5,050,000	473,538	5,523,538
Total	$ 11,990,000	$ 2,744,600	$ 14,734,600

In January 2014**,** the Morgan County Board of Commissioners entered into an Installment Sale Agreement with the Morgan County Building Authority to issue $2,500,000 in taxable Revenue Bonds, Series 2014. The bonds shall bear interest at a rate per annum of 4.50%. The bonds mature January 9, 2024. The bonds were issued to pay for the unfunded portion of the Morgan County, Georgia Pension Obligation. The outstanding balance of this debt at June 30, 2014 is $2,397,244.

The annual requirements to amortize general obligation bonds using terms in effect as of June 30, 2014, are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	$ 207,427	$ 104,408	$ 311,835
2016	216,920	523,513	740,433
2017	226,847	457,512	684,359
2018	237,229	388,263	625,492
2019	248,085	315,512	563,597
2020-2024	1,260,736	473,538	1,734,274
Total	$ 2,397,244	$ 2,262,746	$ 4,659,990

COMPENSATED ABSENCES

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

DISCRETELY PRESENTED COMPONENT UNITS

Long-term debt activity for the Health Department for the year ended June 30, 2014, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 30,972	$ 20,899	$ (18,517)	$ 33,354	$ 6,201	$ 27,153

Long-term debt activity for the Hospital Authority for the year ended June 30, 2014, was as follows:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Bonds	$ 475,000	$ -	$ (85,000)	$ 390,000	$ 90,000	$ 300,000
Capital leases	880,000	-	(432,000)	448,000	365,000	83,000
Total long-term liabilities	$ 1,355,000	$ -	$ (517,000)	$ 838,000	$ 455,000	$ 383,000

The terms and due dates of the Hospital Authority's long-term debt, including capital lease obligations, at June 30, 2014, 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, 2014, are as follows:

Year Ending June 30,	Bonds and notes payable			Capital Leases		
	Principal	Interest	Total	Principal	Interest	Total
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	$ 390,000	$ 42,000	$ 432,000	$ 448,000	$ 9,000	$ 457,000

NOTE 8 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of June 30, 2014, is as follows:

Due To	Due From			
	SPLOST	Other Nonmajor Governmental Funds	Solid Waste Disposal Facility	Total Due from Other Funds
General Fund	$ 1,566,352	$ 45,203	$ 95,089	$ 1,706,644
Total Due to Other Funds	$ 1,566,352	$ 45,203	$ 95,089	$ 1,706,644

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

Interfund transfers as of the year ended June 30, 2014, are as follows:

Transfers Out	Transfers in				
	General Fund	SPLOST	Other Nonmajor Governmental Funds	Sold Waste Disposal Facility	Total Transfers Out
General Fund	$ -	$ 35,334	$ 352,867	$ 470,066	$ 858,266
SPLOST	-	-	-	19,136	19,136
Other Nonmajor Governmental Funds	60,775	-	-	-	60,775
Total - Transfers in	$ 60,775	$ 35,334	$ 352,867	$ 489,202	$ 938,177

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

Plan Description

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

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

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at 60 with 5 years of participation in the Plan. Participants may retire early at age 55 with 10 years of service and 3 years of plan participation. The County's covered payroll for employees participating in the Plan as of January 1, 2013 (the most recent actuarial valuation date) was $4,244,445 (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.

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 $804,217 ($804,217 employer and $0 employee) were made in accordance with the contribution requirements determined by an actuarial valuation performed as of January 1, 2013. This was equal to the minimum required contribution of $804,217.

Annual Pension Cost

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

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

The County's contributions to the Plan for the years ended June 30, 2014, 2013, and 2012 were $804,217, $721,905, and $692,503, respectively and were equal to or greater than the required contribution for each year.

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

Actuarial Date of January 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b-a)/c]
2013	$ 6,329,015	$8,958,333	$ 2,629,318	70.6%	$ 4,207,528	62.5 %

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

Fiscal Year June 30,	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
2014	$ 803,724	$ 804,217	100.1 %	$ 90,495
2013	$ 721,841	$ 721,905	100.0 %	$ 90,988
2012	$ 692,007	$ 692,503	100.1 %	$ 91,052

The information was determined as part of the actuarial valuation as of January 1, 2013. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2013
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	$ 804,217
Interest on net pension obligation	7,052
Amortization of net pension obligation	(7,545)
Annual pension cost	803,724
Contribution made	(804,217)
Increase (decrease) in Net Pension Obligation	(493)
Net pension obligation, January 1, 2013	90,988
Net pension obligation, January 1, 2014	$ 90,495

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:

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.

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.

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.

Georgia State Employees' Retirement System

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

NOTE 10 - CONTINGENT LIABILITIES AND COMMITMENTS

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

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

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

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

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

NOTE 11 - RISK MANAGEMENT

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

WORKERS' COMPENSATION

The County participates in the Association County Commissioners of Georgia (ACCG) Group Self Insurance Workers' Compensation Fund (GSIWCF), a self-insured pool cooperative arrangement among its members to finance workers' compensation coverage. The fund is owned by its members and is managed by a seven member Board of Trustees who are representatives from participating counties. The ACCG-GSIWCF operates under the authority of O.C.G.A. 34-9-150 et seq. and the Georgia Insurance Commissioner's Office. The members of ACCG-Group Self Insurance Workers' Compensation Fund are assessable if the losses that ACCG must pay exceed the assets of the pool. At June 30, 2014, 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, 2014, there was no need for such an assessment. Therefore, no liability has been recorded in these financial statements.

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

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

The County also purchases combined automobile, crime, liability, and property insurance coverage from the ACCG-IRMA. A $5,000 deductible applies to each claim. 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, 2014:

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, 2014.

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

NOTE 12 - NORTHEAST GEORGIA REGIONAL COMMISSION

Morgan County, in conjunction with cities and counties in the area are members of the Northeast Georgia Regional Commission (NEGRC). Membership in the NEGRC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the regional commissions. Each county and municipality in the state is required by law to pay minimum annual dues to the NGRC. The County paid annual dues in the amount of $17,868 to the NEGRC for the year ended June 30, 2014. 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 2014. 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, 2014, based on requirements issued by the EPA.

NOTE 14 - SIGNIFICANT ESTIMATES

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

These estimates are as follows:

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

NOTE 15 - HOTEL/MOTEL TAX

During the year ended June 30, 2014, the County had receipts of $45,589 and spent $27,367 to promote tourism, conventions, and trade shows. Of this amount, $15,219 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 $2,504,740, using the equity interest method.

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

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

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

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

Required Supplementary Information

MORGAN COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION FUNDING PROGRESS
For the Year Ended June 30, 2014
"Unaudited"

Actuarial Valuation Date (1/1)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2013	$ 6,329,015	$ 8,958,333	70.6 %	$ 2,629,318	$ 4,207,528	62.5 %
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 %

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, 2014
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 3,792,528	$ 3,792,528	$ 3,792,528	$ -
RESOURCES (INFLOWS)				
Taxes	10,118,000	10,118,000	9,914,655	(203,345)
Licenses and permits	141,100	141,100	162,241	21,141
Intergovernmental	670,856	1,070,856	1,366,098	295,242
Fines and forfeitures	503,000	503,000	451,470	(51,530)
Charges for services	1,151,700	1,151,700	1,253,230	101,530
Contributions and donations	45,000	45,000	51,037	6,037
Investment income	200	200	1,811	1,611
Miscellaneous	4,500	164,500	167,607	3,107
Sale of county property	15,000	15,000	73,000	58,000
Proceeds from contracts payable	-	2,500,000	2,500,000	-
Transfers in	80,000	80,000	60,775	(19,225)
Total Resources (Inflows)	12,729,356	15,789,356	16,001,924	212,568
AMOUNTS AVAILABLE FOR APPROPRIATION	16,521,884	19,581,884	19,794,452	212,568
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Board of commissioners	65,533	74,250	74,204	46
County manager	277,066	282,666	282,590	76
County clerk	68,437	68,837	68,638	199
Elections	133,026	137,176	137,132	44
Finance	436,500	343,607	245,024	98,583
Law	98,000	103,876	103,876	-
Management information	450,916	464,916	464,711	205
Human resources	55,106	61,749	61,703	46
Tax commissioner	242,527	237,321	231,195	6,126
Tax assessor	484,565	484,565	467,983	16,582
Risk management	176,000	2,747,000	2,730,040	16,960
General government buildings	586,080	617,780	617,691	89
Records management	13,209	13,209	10,394	2,815
General administration fees	21,700	21,700	21,170	530
Total General Government	3,108,665	5,658,652	5,516,351	142,301
Judicial				
Ocmulgee Circuit	25,464	25,614	25,608	6
Clerk of superior court	456,568	455,668	417,615	38,053
District attorney	72,264	72,669	72,627	42
Magistrate court	296,127	302,487	302,412	75
Probate court	241,226	241,226	241,218	8
Juvenile court	27,940	27,940	27,940	-
Public defender	59,252	59,252	56,562	2,690
Total Judicial	1,178,841	1,184,856	1,143,982	40,874
Public Safety				
Sheriff	2,010,523	2,036,123	2,036,095	28
Jail operation	1,536,462	1,571,806	1,571,600	206
Fire administration	615,349	637,849	637,832	17
Ambulance	310,505	321,605	321,515	90
Coroner/Medical Examiner	25,397	29,317	29,314	3
Emergency Management Agency	67,169	61,819	59,019	2,800
Animal control	210,887	216,237	214,504	1,733
Total Public Safety	4,776,292	4,874,756	4,869,879	4,877
Public Works				
Highways and streets	1,266,814	1,280,294	1,280,277	17
Maintenance and shop	124,930	127,450	126,377	1,073
Total Public Works	1,391,744	1,407,744	1,406,654	1,090

MORGAN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2014
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CONTINUED.....				
Public Health and Welfare				
Senior citizens center	283,955	272,455	272,337	118
Transportation services	249,700	271,000	270,471	529
D.F.A.C.S.	38,602	38,602	38,602	-
Advantage behavioral	22,200	22,200	22,200	-
Health care facilities	752,105	752,106	752,105	1
Total Public Health and Welfare	1,346,562	1,356,363	1,355,715	648
Recreation and Culture				
Parks and recreation	827,460	850,980	850,668	312
Library	199,240	199,242	199,240	2
Total Recreation and Culture	1,026,700	1,050,222	1,049,908	314
Housing and development				
Forestry services	14,415	15,260	15,260	-
Building inspection	188,739	185,439	183,771	1,668
Planning and zoning	136,423	136,423	134,273	2,150
County agent	85,884	89,184	89,123	61
Development authority	38,000	39,501	39,500	1
Total Housing and Development	463,461	465,807	461,927	3,880
Debt service	101,856	302,315	302,180	135
Transfers out	704,900	858,306	858,266	40
TOTAL CHARGES TO APPROPRIATIONS	14,099,021	17,159,021	16,964,862	194,024
CHANGE IN FUND BALANCE	(1,369,665)	(1,369,665)	(962,938)	406,727
FUND BALANCE, End of year	$ 2,422,863	$ 2,422,863	$ 2,829,590	$ 406,727

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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

MORGAN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014

	SPECIAL REVENUE FUNDS					
	EMERGENCY TELEPHONE SERVICES	RESTRICTED PROGRAMS FUND	HOTEL MOTEL TAX	LAW LIBRARY	SHERIFF'S LAW ENFORCEMENT	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS						
Cash	$ -	$ 137,399	$ 2,751	$ 10,456	$ 69,260	$ 190,573
Receivables (net of allowance for uncollectibles)	66,663	121	4,603	845	1,476	103,001
Prepaid items	1,769	-	-	-	-	1,769
TOTAL ASSETS	$ 68,432	$ 137,520	$ 7,354	$ 11,301	$ 70,736	$ 295,343
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 11,500	$ -	$ 5,437	$ 1,646	$ -	$ 18,583
Other accrued items	12,232	-	-	-	-	12,232
Interfund payables	43,286	-	1,917	-	-	45,203
TOTAL LIABILITIES	67,018	-	7,354	1,646	-	76,018
FUND BALANCES						
Nonspendable:						
Prepaid expenditure	1,769	-	-	-	-	1,769
Restricted:						
Judicial programs	-	-	-	9,655	-	9,655
Public safety programs	-	113,024	-	-	70,736	183,760
Health and welfare programs	-	24,496	-	-	-	24,496
Unassigned	(355)	-	-	-	-	(355)
TOTAL FUND BALANCES	1,414	137,520	-	9,655	70,736	219,325
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 68,432	$ 137,520	$ 7,354	$ 11,301	$ 70,736	$ 295,343

MORGAN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	SPECIAL REVENUE FUNDS						
	EMERGENCY TELEPHONE SERVICE	RESTRICTED PROGRAMS FUND	HOTEL/ MOTEL TAX	LAW LIBRARY	SHERIFF'S LAW ENFORCEMENT	MULTIPLE GRANT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES							
Taxes	$ -	$ -	$ 45,589	$ -	$ -	$ -	$ 45,589
Intergovernmental	122,749	-	-	-	27,649	239,280	389,678
Fines and forfeitures	-	82,269	-	24,437	-	-	106,706
Charges for services	311,529	-	-	-	2,410	-	313,939
Contributions and donations	-	-	-	-	13,723	-	13,723
Investment income	-	87	-	(1)	63	-	149
TOTAL REVENUES	434,278	82,356	45,589	24,436	43,845	239,280	869,784
EXPENDITURES							
Current Expenditures							
Judicial	-	-	-	24,938	-	-	24,938
Public safety	741,769	3,036	-	-	48,481	1,476	794,762
Housing and development	-	-	27,367	-	-	-	27,367
Capital outlay	-	-	-	-	-	235,251	235,251
Debt service							
Principal	40,414	-	-	-	-	-	40,414
Interest	4,962	-	-	-	-	-	4,962
TOTAL EXPENDITURES	787,145	3,036	27,367	24,938	48,481	236,727	1,127,694
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(352,867)	79,320	18,222	(502)	(4,636)	2,553	(257,910)
OTHER FINANCING SOURCES (USES)							
Transfers in	352,867	-	-	-	-	-	352,867
Transfers out	-	(40,000)	(18,222)	-	-	(2,553)	(60,775)
TOTAL OTHER FINANCING SOURCES (USES)	352,867	(40,000)	(18,222)	-	-	(2,553)	292,092
NET CHANGE IN FUND BALANCES	-	39,320	-	(502)	(4,636)	-	34,182
FUND BALANCES, Beginning of year	1,414	98,200	-	10,157	75,372	-	185,143
FUND BALANCES, End of year	$ 1,414	$ 137,520	$ -	$ 9,655	$ 70,736	$ -	$ 219,325

MORGAN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND
For the Year Ended June 30, 2014

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 1,414	$ 1,414	$ 1,414	$ -
RESOURCES (INFLOWS)				
Intergovernmental	184,807	184,807	122,749	(62,058)
Charges for services	309,660	309,660	311,529	1,869
Transfer in	199,383	292,706	352,867	60,161
Total Resources (Inflows)	693,850	787,173	787,145	(28)
AMOUNTS AVAILABLE FOR APPROPRIATION	695,264	788,587	788,559	(28)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	693,850	787,173	787,145	28
TOTAL CHARGES TO APPROPRIATIONS	693,850	787,173	787,145	28
FUND BALANCE, End of year	$ 1,414	$ 1,414	$ 1,414	$ -

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

MORGAN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
RESTRICTED PROGRAMS SPECIAL REVENUE FUND
For the Year Ended June 30, 2014

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 98,200	$ 98,200	$ 98,200	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	90,000	90,000	82,269	(7,731)
Investment income	-	-	87	87
Total Resources (Inflows)	90,000	90,000	82,356	(7,644)
AMOUNTS AVAILABLE FOR APPROPRIATION	188,200	188,200	180,556	(7,644)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	22,700	22,700	3,036	19,664
Public health and welfare	5,300	5,300	-	5,300
Transfers out	62,000	62,000	40,000	22,000
TOTAL CHARGES TO APPROPRIATIONS	90,000	90,000	43,036	46,964
CHANGE IN FUND BALANCE	-	-	39,320	39,320
FUND BALANCE, End of year	$ 98,200	$ 98,200	$ 137,520	$ 39,320

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, 2014

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Taxes	40,000	45,700	45,589	(111)
Total Resources (Inflows)	40,000	45,700	45,589	(111)
AMOUNTS AVAILABLE FOR APPROPRIATION	40,000	45,700	45,589	(111)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development	27,000	27,400	27,367	33
Transfers out	13,000	18,300	18,222	78
TOTAL CHARGES TO APPROPRIATIONS	40,000	45,700	45,589	111
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, 2014

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 10,157	$ 10,157	$ 10,157	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	35,000	35,000	24,437	(10,563)
Investment income	-	-	(1)	(1)
Total Resources (Inflows)	35,000	35,000	24,436	(10,564)
AMOUNTS AVAILABLE FOR APPROPRIATION	45,157	45,157	34,593	(10,564)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	35,000	35,000	24,938	10,062
TOTAL CHARGES TO APPROPRIATIONS	35,000	35,000	24,938	10,062
CHANGE IN FUND BALANCE	-	-	(502)	(502)
FUND BALANCE, End of year	$ 10,157	$ 10,157	$ 9,655	$ (502)

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, 2014

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 75,372	$ 75,372	$ 75,372	$ -
RESOURCES (INFLOWS)				
Intergovernmental	7,700	7,700	27,649	19,949
Charges for services	2,000	2,000	2,410	410
Contributions and donations	5,000	5,000	13,723	8,723
Investment income	500	500	63	(437)
Miscellaneous	2,000	2,000	-	(2,000)
Total Resources (Inflows)	17,200	17,200	43,845	26,645
AMOUNTS AVAILABLE FOR APPROPRIATION	92,572	92,572	119,217	26,645
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	117,200	117,200	48,481	68,719
TOTAL CHARGES TO APPROPRIATIONS	117,200	117,200	48,481	68,719
CHANGE IN FUND BALANCE	(100,000)	(100,000)	(4,636)	95,364
FUND BALANCE, End of year	$ (24,628)	$ (24,628)	$ 70,736	$ 95,364

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, 2014

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Intergovernmental	267,801	267,801	239,280	(28,521)
Total Resources (Inflows)	267,801	267,801	239,280	(28,521)
AMOUNTS AVAILABLE FOR APPROPRIATION	267,801	267,801	239,280	(28,521)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Public safety	267,801	265,201	236,727	28,474
Transfers out	-	2,600	2,553	47
TOTAL CHARGES TO APPROPRIATIONS	267,801	267,801	239,280	28,521
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, End of year	$ -	$ -	$ -	$ -

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

FIDUCIARY FUNDS

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

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

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

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

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

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

MORGAN COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
June 30, 2014

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash	$ 244,051	$ 224,645	$ 42,540	$ 1,987	$ 56,848	$ 570,071
TOTAL ASSETS	$ 244,051	$ 224,645	$ 42,540	$ 1,987	$ 56,848	$ 570,071
LIABILITIES						
Amounts held in trust	$ 244,051	$ 224,645	$ 42,540	$ 1,987	$ 56,848	$ 570,071
TOTAL LIABILITIES	$ 244,051	$ 224,645	$ 42,540	$ 1,987	$ 56,848	$ 570,071

MORGAN COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2014

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash						
Balance, July 1, 2013	$ 208,985	$ 164,663	$ 42,709	$ 2,043	$ 60,034	$ 478,434
Additions	25,254,548	863,410	680,095	337,396	205,646	27,341,095
Deductions	(25,219,482)	(803,428)	(680,264)	(337,452)	(208,832)	(27,249,458)
Balance, June 30, 2014	244,051	224,645	42,540	1,987	56,848	570,071
TOTAL ASSETS	$ 244,051	$ 224,645	$ 42,540	$ 1,987	$ 56,848	$ 570,071
LIABILITIES						
Due to County						
Balance, July 1, 2013	$ -	$ -	$ -	$ -	$ -	$ -
Additions	7,589,803	340,550	445,172	80,862	54,367	8,510,754
Deductions	(7,589,803)	(340,550)	(445,172)	(80,862)	(54,367)	(8,510,754)
Balance, June 30, 2014	-	-	-	-	-	-
Amounts held in trust						
Balance, July 1, 2013	208,985	164,663	42,709	2,043	60,034	478,434
Additions	17,664,745	522,860	234,923	256,534	151,279	18,830,341
Deductions	(17,629,679)	(462,878)	(235,092)	(256,590)	(154,465)	(18,738,704)
Balance, June 30, 2014	244,051	224,645	42,540	1,987	56,848	570,071
Total Liabilities						
Balance, July 1, 2013	208,985	164,663	42,709	2,043	60,034	478,434
Additions	25,254,548	863,410	680,095	337,396	205,646	27,341,095
Deductions	(25,219,482)	(803,428)	(680,264)	(337,452)	(208,832)	(27,249,458)
TOTAL LIABILITIES	$ 244,051	$ 224,645	$ 42,540	$ 1,987	$ 56,848	$ 570,071

Supplementary Information

MORGAN COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the Year Ended June 30, 2014

SPLOST #V - Commenced April 1, 2007 Project	Original Estimated Cost	Current Estimated Cost	Amount Expended Year 1 2007	Year 2 2008	Year 3 2009	Year 4 2010	Year 5 2011	Year 6 2012	Year 7 2013	Year 8 2014	Total
LEVEL 1 COUNTY PROJECTS											
Public safety/Detention Center	$ 10,500,000	$ 12,000,000	$ -	$ 4,403,358	$ 7,419,912	$ 12,182,166	$ 850,404	$ 352,876	$ 351,506	$ -	$ 25,560,222
LEVEL 2 COUNTY PROJECTS											
Road and Bridge Improvements and Equipment	10,500,000	10,500,000	-	293,469	1,351,017	898,810	262,768	1,727,366	880,321	1,103,367	6,517,118
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	1,103,367	34,186,060
MUNICIPAL PROJECTS											
City of Madison											
Road and Bridge Improvements and Equipment	600,000	600,000	21,779	87,558	77,334	79,499	80,874	83,292	60,517	-	490,853
Public Works Building Construction/Improvements and Equipment	400,000	400,000	14,520	58,372	51,556	53,000	53,916	55,528	40,344	-	327,236
Public Safety Building Construction/Improvements and Equipment	350,000	350,000	12,705	51,075	45,111	46,375	47,177	48,587	35,301	-	286,331
City Hall Renovations	250,000	250,000	9,075	36,482	32,222	33,125	33,698	34,705	25,215	-	204,522
Park Improvements and Equipment	204,400	204,400	7,419	29,828	26,345	27,083	27,551	28,375	20,616	-	167,217
Subtotal	1,804,400	1,804,400	65,498	263,315	232,568	239,082	243,216	250,487	181,993	-	1,476,159
City of Rutledge											
Water and Sewer System Improvements and Equipment	158,600	158,600	5,757	23,040	20,357	20,934	21,296	21,926	15,964	-	129,274
City of Bostwick											
Road and Bridge Improvements and Equipment	30,000	30,000	1,089	4,407	3,946	3,885	4,044	4,161	3,026	-	24,558
City Hall Improvements and Equipment	13,435	13,435	488	1,974	1,767	1,740	1,811	1,863	1,355	-	10,998
Water System Improvements and Equipment	15,000	15,000	544	2,203	1,973	1,942	2,022	2,080	1,513	-	12,277
Subtotal	58,435	58,435	2,121	8,584	7,686	7,567	7,877	8,104	5,894	-	47,833
City of Buckhead											
Road and Bridge Improvements and Equipment	21,174	21,174	769	3,093	2,778	2,755	2,854	2,944	2,139	-	17,332
Fire Station Improvements/Addition	15,000	15,000	544	2,191	1,968	1,952	2,022	2,085	1,516	-	12,278
Subtotal	36,174	36,174	1,313	5,284	4,746	4,707	4,876	5,029	3,655	-	29,610
Total All City Projects **(1)**	2,057,609	2,057,609	74,689	300,223	265,357	272,290	277,265	285,546	207,506	-	1,682,876
Total All Projects	$ 26,000,000	$ 27,750,000	$ 74,343	$ 5,205,196	$ 9,988,690	$ 13,653,816	$ 1,390,437	$ 3,013,754	$ 1,439,333	$ 1,103,367	$ 35,868,936

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, 2014

SPLOST # VI - Commenced April 1, 2013 Project	Original Estimated Cost	Current Estimated Cost	Amount Expended Year 1 2013	Year 2 2014	Total
LEVEL 1 COUNTY PROJECTS					
Debt Service Public Safety Complex	$ 12,000,000	$ 12,000,000	$ 1,491,506	$ 1,847,013	$ 3,338,519
LEVEL 2 COUNTY PROJECTS					
Fire Facility Improvements and Equipment	1,512,018	1,512,018	46,483	1,340,078	1,386,561
Solid Waste & Recycling Equipment and Infrastructure	600,000	600,000	248,696	19,136	267,832
Recreational Field and Facility Improvements	375,000	375,000	32,845	3,780	36,625
Emergency Management Services Office	250,000	250,000		-	-
E911 System Upgrades	850,000	850,000	95,365	400,496	495,861
County Facilities Improvements and Equipment	433,360	433,360	57,500	283,821	341,321
Road and Bridge Improvements and Equipment	5,986,982	5,986,982	-	86,285	86,285
Subtotal All County Projects	22,007,360	22,007,360	1,972,395	3,980,609	5,953,004
MUNICIPAL PROJECTS					
City of Madison					
Road and Bridge Improvements and Equipment	800,000	800,000	26,410	104,612	131,022
Hill Park Restrooms	100,000	100,000	3,301	13,077	16,378
Public Safety Building Construction/Improvements and Equipment	550,000	550,000	18,156	71,921	90,077
City Hall Renovations	400,000	400,000	13,205	52,306	65,511
Acquisition of Town Park	1,000,000	1,000,000	33,012	130,766	163,778
Parks and Greenspace	267,640	267,640	8,835	34,998	43,833
Subtotal	3,117,640	3,117,640	102,919	407,680	510,599
City of Rutledge					
Fears Road Well Construction	161,500	161,500	5,332	21,118	26,450
Water Line Replacement - Newborn Road	168,500	168,500	5,562	22,033	27,595
Scada System Upgrade	105,000	105,000	3,466	13,730	17,196
Mini Excavator	35,000	35,000	1,155	4,577	5,732
Work Truck	30,000	30,000	990	3,922	4,912
Subtotal	500,000	500,000	16,505	65,380	81,885
City of Bostwick					
Demolition of Community Center, Construction of Parking	50,000	50,000	1,651	6,541	8,192
City Park Improvements	150,000	150,000	4,954	19,624	24,578
Sidewalk Additions and Improvements	25,000	25,000	826	3,271	4,097
Traffic Calming Devices	25,000	25,000	826	3,271	4,097
Subtotal	250,000	250,000	8,257	32,707	40,964
City of Buckhead					
Fire Station Improvements	40,000	40,000	1,321	5,233	6,554
Town Park Improvements	40,000	40,000	1,321	5,233	6,554
Sidewalk Improvements	32,500	32,500	1,073	4,252	5,325
Lawn Care Equipment	12,500	12,500	413	1,635	2,048
Subtotal	125,000	125,000	4,128	16,353	20,481
Total All City Projects **(1)**	3,992,640	3,992,640	131,809	522,120	653,929
Total All Projects	$ 26,000,000	$ 26,000,000	$ 2,104,204	$ 4,502,729	$ 6,606,933

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, 2014

Amounts may not add due to rounding

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

Expenditures	$ 5,586,960
Transfers out	19,136
Subtotal	5,606,096
Less items not included as expenditures on SPLOST schedule below:	
Revenue from State grants used for expenditures first before SPLOST funds	-
Subtotal of adjustments	-
Expenditures reported on Splost schedule below	**$ 5,606,096**

Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (pages 60-61)

Splost # V	1,103,367
Splost # VI	4,502,729
	$ 5,606,096
Difference	-

STATISTICAL SECTION

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

Contents **Table**

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

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Fund Balances of Governmental Funds	3
Changes in Fund Balances of Governmental Funds	4
Five Year General Fund History	4A
General Governmental Tax Revenues by Source	5

Revenue Capacity

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

Assessed Value and Estimated Actual Value of Taxable Property	6
Property Tax Rates (Direct and Overlapping Governments)	7
Principal Property Taxpayers	8
Property Tax Levies and Collections	9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

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Direct and Overlapping Governmental Activities Debt	12
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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Demographic and Economic Statistics	15
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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Full-Time Equivalent County Government Employees by Function	17
Operating Indicators by Function	18
Capital Asset Statistics by Function	19

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

Note: Tables may not add due to rounding

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

	Fiscal Year									
	2005 (1)	2006	2007	2008	2009	2010	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES										
Invested in capital assets, net of related debt	$ 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	$ 54,248,993
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	219,325
Unrestricted:	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	3,735,413
Total governmental activities net position	$ 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	$ 58,203,731
BUSINESS-TYPE ACTIVITIES										
Invested in capital assets, net of related debt	$ 488,361	$ 494,434	$ 623,605	$ 553,538	$ 498,269	$ 435,751	$ 423,478	$ 388,750	$ 605,828	$ 575,162
Unrestricted	(348,984)	(384,063)	(389,821)	(197,287)	(93,952)	(273,097)	(290,420)	(388,750)	(369,352)	(434,675)
Total business-type activities net position	$ 139,377	$ 110,371	$ 233,784	$ 356,251	$ 404,317	$ 162,654	$ 133,058	$ -	$ 236,476	$ 140,487
PRIMARY GOVERNMENT										
Invested in capital assets, net of related debt	$ 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	$ 54,824,155
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	219,325
Unrestricted	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	3,300,738
Total primary government net position	$ 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	$ 58,344,218

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental activities:										
General government	$ 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	$ 5,830,073
Judicial	914,292	947,640	991,742	1,109,741	1,157,153	1,184,957	1,189,888	1,181,395	1,163,564	1,172,178
Public safety	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	6,535,907
Public works	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	4,693,100
Health and welfare	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	1,424,487
Recreation and culture	742,137	709,565	791,172	846,539	944,780	1,219,227	1,000,265	1,635,981	1,073,367	1,100,502
Housing and development	639,383	669,125	756,911	884,788	764,023	661,589	568,418	569,188	501,473	489,786
Intergovernmental	142,012	165,561	-	-	-	-	-	-	-	-
Interest on long-term debt	199,383	180,184	171,729	623,216	869,746	830,572	764,021	728,723	633,055	688,485
Total governmental activities expenses	12,916,501	13,349,725	16,439,928	17,575,094	18,682,845	19,070,263	19,010,656	20,410,344	19,394,950	21,934,518
Business-type activities:										
Solid waste disposal facility	599,244	953,260	1,099,220	1,229,757	1,173,153	954,279	987,377	924,782	868,546	849,543
Total business-type activities expenses	599,244	953,260	1,099,220	1,229,757	1,173,153	954,279	987,377	924,782	868,546	849,543
Total primary government expenses	13,515,745	14,302,985	17,539,148	18,804,851	19,855,998	20,024,542	19,998,033	21,335,126	20,263,496	22,784,061
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	373,630	388,148	491,005	702,075	562,398	583,893	757,176	778,590	697,902	896,917
Judicial	965,623	969,501	802,409	937,425	985,746	1,039,309	853,314	600,536	753,130	701,347
Public safety	576,625	690,812	469,412	617,775	623,592	646,449	669,836	538,653	442,129	427,289
Public works	-	-	-	-	-	-	-	-	300	-
Health and welfare	221,360	214,077	197,622	70,531	59,628	49,433	46,382	37,069	18,520	21,741
Recreation and culture	122,864	129,017	165,268	221,360	206,481	262,664	250,468	258,698	267,432	272,062
Housing and development	344,664	349,000	426,486	345,103	415,055	149,986	127,478	170,581	1,195,072	203,954
Total charges for services	2,604,766	2,740,555	2,552,202	2,894,269	2,852,900	2,731,734	2,704,654	2,384,127	3,374,485	2,523,310
Operating grants and contributions	453,368	423,841	524,910	423,937	345,115	1,021,163	1,498,111	774,145	3,838,006	709,530
Capital grants and contributions	196,956	1,060,470	501,932	590,657	412,386	320,317	182,113	83,273	472,996	238,788
Total governmental activities program revenues	3,255,090	4,224,866	3,579,044	3,908,863	3,610,401	4,073,214	4,384,878	3,241,545	7,685,487	3,471,628

continued continued continued

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services:										
Solid waste disposal facility	415,477	348,093	385,146	406,576	341,034	287,163	327,258	291,399	256,398	264,354
Total charges for services	415,477	348,093	385,146	406,576	341,034	287,163	327,258	291,399	256,398	264,354
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	415,477	348,093	385,146	406,576	341,034	287,163	327,258	291,399	256,398	264,354
Total primary government program revenues	$ 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	$ 3,735,982
Net (expense)/revenue										
Governmental activities	$ (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)	$ (18,462,890)
Business-type activities	(183,767)	(605,167)	(714,074)	(823,181)	(832,119)	(667,116)	(660,119)	(633,383)	(612,148)	(585,189)
Total primary government net expense	(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)	(19,048,079)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITIONS										
Governmental activities:										
Taxes										
Property Taxes	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	6,475,245
Sales Taxes	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	5,881,799
Insurance premium tax	436,698	466,340	488,710	513,885	526,410	518,862	504,631	525,844	561,768	583,868
Real estate and recording taxes	217,697	289,000	261,507	213,685	173,461	116,810	99,292	103,839	135,389	115,432
Other taxes	184,186	163,146	167,705	152,497	141,240	133,615	138,222	148,663	143,861	157,730
Total taxes	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	13,214,074
Unrestricted grants and contributions	341,074	348,739	353,997	304,611	307,172	-	228,308	258,767	356,525	1,023,119
Investment earnings	58,014	219,374	435,174	615,431	261,418	92,485	28,193	6,412	2,550	2,004
Miscellaneous	11,720	38,157	26,663	26,087	68,111	45,037	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	5,065	36,978	17,209	15,443
Transfers	(147,084)	(574,821)	(835,990)	(940,028)	(878,485)	(425,000)	(630,175)	(500,228)	(848,592)	(489,201)
Total governmental activities	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	13,765,439

continued continued continued

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Investment earnings	527	1,340	1,497	5,620	1,700	454	348	97	32	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	147,084	574,821	835,990	940,028	878,485	425,000	630,175	500,228	848,592	489,201
Total business-type activities	147,611	576,161	837,487	945,648	880,185	425,454	630,523	500,325	848,624	489,201
Total primary government	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	14,254,640
CHANGE IN NET POSITIONS										
Governmental activities	3,128,021	5,571,436	2,089,292	2,118,922	(411,931)	(239,327)	(582,942)	(3,499,266)	913,237	(4,697,451)
Business-type activities	(36,156)	(29,006)	123,413	122,467	48,066	(241,662)	(29,596)	(133,058)	236,476	(95,988)
Total primary government	$ 3,091,865	$ 5,542,430	$ 2,212,705	$ 2,241,389	$ (363,865)	$ (480,989)	$ (612,538)	$ (3,632,324)	$ 1,149,713	$ (4,793,439)

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									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
General fund										
Reserved	$ 246,566	$ 237,122	$ 240,340	$ 478,082	$ 174,675	$ 86,720	$ -	$ -	$ -	$ -
Unreserved	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	181,501
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	1,915,412	-	-
Unassigned	-	-	-	-	-	-	6,625,548	3,419,893	3,324,061	1,307,105
Total general fund	$ 3,486,058	$ 5,187,006	$ 5,511,227	$ 5,448,114	$ 5,416,386	$ 6,469,075	$ 6,772,937	$ 5,749,432	$ 3,792,528	$ 1,488,606
All other governmental funds										
Reserved	391,525	3,824,606	2,937,843	19,573,659	11,759,473	568,311	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	459,967	611,276	778,291	1,006,678	1,084,759	477,024	-	-	-	-
Capital Projects Funds	1,697,418	192,801	93,038	151,785	6,926	-	-	-	-	-
Unreserved	2,157,385	804,077	871,329	1,158,463	1,091,685	477,024	-	-	-	-
Nonspendable	-	-	-	-	-	-	3,781	1,414	1,414	1,769
Restricted	-	-	-	-	-	-	1,985,180	1,004,257	863,031	217,911
Total all other governmental funds	$ 2,548,910	$ 4,628,683	$ 3,809,172	$ 20,732,122	$ 12,851,158	$ 1,045,335	$ 1,988,961	$ 1,005,671	$ 864,445	$ 219,680

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Taxes (see table 5)	$ 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	$ 13,360,128
Licenses and permits	346,057	350,273	281,189	185,857	106,293	79,545	113,417	136,096	154,719	162,241
Intergovernmental	946,497	918,447	1,198,059	1,256,711	988,058	820,662	1,322,356	1,066,464	1,160,152	1,906,375
Fines and forfeitures	971,988	956,255	991,313	929,737	937,734	1,016,568	806,806	502,570	610,990	558,176
Charges for services	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	1,567,169
Contributions and donations	44,901	72,403	117,835	62,493	61,615	47,836	63,916	48,166	84,131	64,760
Investment income	56,284	219,374	435,174	615,434	261,419	92,483	30,698	7,965	3,852	2,306
Miscellaneous	200,553	190,270	98,457	179,700	38,473	37,758	147,639	17,090	4,215	167,607
Total revenues	16,246,788	18,547,718	19,394,787	20,350,564	18,611,734	18,581,969	18,733,622	17,497,575	16,736,845	17,788,762
EXPENDITURES										
General government	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	5,482,854
Judicial	914,538	947,600	990,846	1,101,157	1,160,088	1,187,120	1,152,745	1,183,351	1,162,272	1,168,920
Public safety	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	5,616,211
Public works	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	2,090,947
Health and welfare	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	1,352,015
Recreation and culture	730,900	698,983	771,673	796,297	889,943	1,185,626	931,105	1,585,169	1,021,991	1,049,908
Housing and development	630,731	664,207	751,833	847,346	725,381	626,148	526,943	533,929	501,665	484,794
Intergovernmental	142,012	165,561	198,978	300,223	264,766	272,291	277,264	285,546	339,315	522,120
Capital Outlay	3,391,537	1,504,040	5,597,617	6,847,486	8,869,174	11,664,706	456,345	794,267	545,930	2,864,911
Principal on long-term debt	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	1,417,322
Interest on long-term debt	199,383	180,184	163,518	681,468	948,678	906,033	835,867	796,810	723,119	771,246
Issuance costs on long-term debt	-	-	-	302,674	-	-	-	-	-	-
Total expenditures	16,634,898	14,930,711	20,080,749	23,362,426	25,758,649	28,955,140	17,060,136	19,168,134	18,006,297	22,821,248
Excess of revenues over (under) expenditures	(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)	(5,032,486)
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	17,945	38,535	26,663	729,307	112,708	45,037	5,065	36,978	17,209	73,000
Debt premiums and discounts	-	-	-	1,015,109	-	-	-	-	-	-
Proceeds from borrowing	250,000	700,000	1,000,000	19,067,311	-	-	199,110	129,721	-	2,500,000
Transfers in	1,585,848	979,105	1,028,181	2,552,257	869,586	542,600	270,304	266,703	393,196	448,976
Transfers out	(1,732,932)	(1,553,926)	(1,864,172)	(3,492,285)	(1,748,071)	(967,600)	(900,479)	(766,932)	(1,241,788)	(938,177)
Total other financing sources (uses)	120,861	163,714	190,672	19,871,699	(765,777)	(379,963)	(426,000)	(333,530)	(831,383)	2,083,799
Net change in fund balances	$ (267,249)	$ 3,780,721	$ (495,290)	$ 16,859,837	$ (7,912,692)	$ (10,753,134)	$ 1,247,486	$ (2,004,089)	$ (2,100,835)	$ (2,948,687)
Debt service as a percentage of noncapital expenditures	12.59%	12.23%	12.02%	15.73%	12.16%	11.86%	12.38%	11.56%	12.23%	10.97%

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	2014
REVENUES						
Taxes	$ 11,431,646	$ 11,465,747	$ 11,101,086	$ 10,366,209	$ 9,661,703	$ 9,914,655
Licenses and permits	105,793	101,929	113,417	136,096	154,719	162,241
Intergovernmental	359,709	390,345	1,204,622	882,093	559,084	1,366,098
Fines and forfeitures	639,598	771,061	601,126	365,491	505,680	451,470
Charges for services	841,316	1,207,090	1,305,732	1,412,371	1,239,204	1,253,230
Contributions and Donations	90	35,810	50,608	37,085	73,965	51,037
Investment income	91,535	78,097	27,198	6,045	2,166	1,811
Miscellaneous	15,393	35,202	147,639	16,462	4,215	167,607
TOTAL REVENUES	13,485,080	14,085,281	14,551,428	13,221,852	12,200,736	13,368,149
EXPENDITURES						
Current						
General government	2,676,798	2,985,485	2,961,023	3,192,082	2,901,460	5,482,853
Judicial	1,109,135	1,136,456	1,116,449	1,158,985	1,138,962	1,143,982
Public safety	3,970,104	4,175,227	4,706,529	4,740,545	4,661,526	4,803,479
Public works	1,437,395	1,410,296	1,434,579	1,435,250	1,405,049	1,406,654
Health and welfare	1,318,927	1,613,427	1,602,250	1,347,178	1,452,778	1,352,015
Recreation and culture	573,514	885,626	931,105	985,169	1,021,991	1,049,908
Housing and development	692,717	605,095	504,503	507,487	476,473	457,427
Capital Outlay	80,612	80,089	90,491	250,572	49,180	108,096
Debt Service						
Principal	139,840	139,811	162,593	205,471	234,540	181,908
Interest	71,438	64,270	30,890	28,058	13,078	120,272
TOTAL EXPENDITURES	12,070,480	13,095,782	13,540,412	13,850,797	13,355,037	16,106,596
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,414,600	989,499	1,011,016	(628,945)	(1,154,301)	(2,738,447)
OTHER FINANCING SOURCES (USES)						
Proceeds from borrowings	-	-	-	129,721	-	2,500,000
Proceeds from sale of fixed assets	46,908	25,284	5,065	36,978	560	73,000
Transfers in	101,613	462,906	94,130	78,853	97,716	60,775
Transfers out	(1,594,849)	(425,000)	(806,349)	(640,112)	(900,879)	(858,266)
TOTAL OTHER FINANCING SOURCES (USES)	(1,446,328)	63,190	(707,154)	(394,560)	(802,603)	1,775,509
EXCESS OF REVENUES AND OTHER FINANCING OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(31,728)	1,052,689	303,862	(1,023,505)	(1,956,904)	(962,938)
FUND BALANCES, JANUARY 1	5,448,114	5,416,386	6,469,075	6,772,937	5,749,432	3,792,528
FUND BALANCES, DECEMBER 31	$ 5,416,386	$ 6,469,075	$ 6,772,937	$ 5,749,432	$ 3,792,528	$ 2,829,590

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

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

Fiscal Year	Property Taxes	Sales Taxes	Insurance Premium Tax	Real Estate & Recording Taxes	Other Taxes	Total
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
2014	$ 6,621,300	$ 5,881,798	$ 583,868	$ 115,432	$ 157,730	$ 13,360,128

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

Fiscal Year	Tax Year	Residential Property	Commercial Property	Motor Vehicles	Other (1)	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Value (3)	Assessed Value as a Percentage of Actual Value
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%
2014	2013	$ 559,351,156	$ 176,917,562	$ 54,403,140	$ 3,712,165	$ 166,587,603	$ 627,796,420	9.490	$ 1,569,491,050	40.00%

Source: Georgia Department of Revenue
(1) Includes Mobile homes, aircraft, boats, miscellaneous personal property, timber and heavy equipment.
(2) This is the rate applicable to the unincorporated portion of the county.
(3) Property that is exempt from taxation has not been included. That is typically property owned by governments and not-for-profit organizations like churches.

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

Tax Year	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*
Fiscal Year	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*
County - Incorporated	10.700	10.700	10.700	8.430	8.350	8.178	8.400	8.990	8.990	9.490
County - Unincorporated (1)	10.700	10.700	10.700	8.430	8.350	8.178	8.400	8.990	8.990	9.490
School Operations	15.442	16.000	15.985	12.735	12.724	12.461	13.743	15.545	17.701	18.213
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.200	0.150
Total Incorporated	26.392	26.950	26.935	21.415	21.324	20.889	22.393	24.785	26.891	27.853
Total Unincorporated	26.392	26.950	26.935	21.415	21.324	20.889	22.393	24.785	26.891	27.853
Municipalities										
Bostwick	0.970	0.970	0.970	0.970	0.970	0.970	1.123	1.235	1.422	1.470
Buckhead	2.960	2.960	2.960	2.245	2.245	2.105	2.000	2.860	3.314	3.331
Madison	3.900	3.738	3.995	3.312	3.583	3.577	4.794	5.446	6.351	6.565
Madison Commercial Business Light	1.150	1.150	1.150	0.809	0.804	0.881	0.962	1.141	1.322	1.464
Madison Interstate Light	1.150	1.150	1.150	0.809	0.804	0.790	0.843	0.953	1.314	1.432
Rutledge	5.190	5.000	5.000	3.779	3.779	3.734	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	31.582	31.950	31.935	25.194	25.103	24.623	27.187	30.231	33.242	34.418
Total Unincorporated	26.392	26.950	26.935	21.415	21.324	20.889	22.393	24.785	26.891	27.853

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

	Tax Year 2013			Tax Year 2004		
Taxpayer	**Taxable Assessed Value[1]**	**Rank[2]**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value[1]**	**Rank[2]**	**Percentage of Total Taxable Assessed Value**
Georgia Power Co	$ 8,152,917	1	1.03%	$ 5,309,683	4	0.61%
Georgia-Pacific Wood Products LLC	9,753,282	2	1.23%	5,480,377	5	0.63%
Georgia Transmission Corp.	7,259,020	3	0.91%	-		0.00%
Pennington Seed, Inc.	9,523,584	4	1.20%	6,856,534	2	1.04%
Lowes Home Centers Inc	4,008,908	5	0.50%	-		0.00%
C R Bard Inc	3,678,548	6	0.46%	-		0.00%
Anthony Specialty Glass LLC	5,543,880	7	0.70%	-		0.00%
Walmart (Zorn, Eric Trustee of)	2,645,320	8	0.33%	-		0.00%
Ingles Markets	2,683,924	9	0.34%	-		0.00%
CSX Transportation	2,639,630	10	0.33%	-		0.00%
Weyerhaeuser Company	-		0.00%	11,691,440	1	1.35%
Amtico International, Inc.	-		0.00%	5,948,690	3	0.68%
BellSouth	-		0.00%	4,149,118	8	0.48%
Denon Digital LLC	-		0.00%	4,309,780	6	0.50%
Denon Digital Ind.	-		0.00%	4,000,000	7	0.46%
Willms, Arthur	-		0.00%	4,455,170	9	0.51%
Plum Creek Timberlands LP	-		0.00%	4,310,302	10	0.50%
Totals	$ 55,889,013		7.04%	$ 56,511,094		6.51%

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	
2005	12/20/2005	$ 6,905	$ 92	$ 167	$ 7,164	$ 6,839	99.04%	$ 323	$ 7,162	99.97%	$ 2
2006	12/20/2006	7,364	8	173	7,545	7,206	97.85%	336	7,542	99.96%	3
2007	12/20/2007	8,157	19	296	8,472	7,904	96.90%	567	8,471	99.99%	1
2008	12/20/2008	8,185	(23)	302	8,464	7,860	96.03%	603	8,463	99.99%	1
2009	12/20/2009	8,179	(29)	323	8,473	7,747	94.72%	723	8,470	99.96%	3
2010	12/20/2010	7,364	8	271	7,643	7,158	97.20%	480	7,638	99.93%	5
2011	12/20/2011	6,678	71	223	6,972	6,518	97.60%	444	6,962	99.86%	10
2012	12/20/2012	5,752	42	155	5,949	5,704	99.17%	218	5,922	99.55%	27
2013	12/20/2013	5,904	(26)	114	5,992	5,923	100.32%	18	5,941	99.15%	51
2014	12/20/2014	$ 397	$ 3	$ 24	$ 424	$ 417	105.04%	$ -	$ 417	98.35%	$ 7

Source: Morgan County Tax Commissioner's Office.

Schedule includes amounts for County maintenance and operations.
Taxes levied include real and personal property, motor vehicle, mobile home, timber, and heavy equipment taxes.
(1) Since real and personal property taxes are levied in the fall after the June 30 year end, those taxes are included in the next fiscal year.
For example the 2013 property taxes due December 20, 2013 are reported as revenues in the fiscal year ended June 30, 2014.
Motor vehicle taxes are reported in the fiscal year that they are collected.
(2) Since mobile home taxes are levied in April, they are recorded in the fiscal year that they are levied.
For example the 2014 mobile home taxes are recorded in the year ended June 30, 2014. Likewise for timber and heavy equipment taxes.

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

	Governmental Activities					
Fiscal Year	Capital Leases	Notes Payable	Contracts Payable (2)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2005	$ 2,947,305.00	$ -	$ 1,170,000.00	$ 4,117,305.00	0.76%	$ 238.28
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%	815
2014	$ 72,254	$ -	$ 15,411,534	$ 15,483,788	2.17%	$ 871

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

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

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

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

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

	Governmental Activities			Business-Type Activities					
Fiscal Year	Compensated Absences	Net Pension Obligation	Total	Landfill Closure/ Post-closure	Compensated Absences	Total	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
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
2014	$ 282,972	$ 90,495	$ 373,467	$ 325,840	$ 18,403	$ 344,243	$ 717,710	0.10%	$ 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, 2014

Jurisdiction	*Debt Outstanding*	*Percentage Applicable to Government*	*Amount Applicable to Government*
Direct Obligations			
Intergovernmental Contracts Obligation			
Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County Bonds	$ 630,000	100.00%	$ 630,000
Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County Bonds	42,675	100.00%	42,675
Morgan County Building Authority	14,738,859	100.00%	14,738,859
Total Intergovernmental Contracts Obligation	15,411,534		15,411,534
Capital Leases			
Capital Leases - Other	72,254	100.00%	72,254
Total Capital Leases	72,254		72,254
Total Direct obligations	15,483,788		15,483,788
Overlapping General Obligation Debt:			
Morgan County School System - Installment Sales Agreement	158,650	100.00%	158,650
City of Madison - Capital lease obligations	951,884	100.00%	951,884
City of Rutledge			
GEFA loans	417,062	100.00%	417,062
City of Buckhead - GEFA loans	48,358	100.00%	48,358
City of Bostwick - no overlapping debt	-	100.00%	-
Total Overlapping General Obligation Debt	1,575,954		1,575,954
Total	$ 17,059,742		$ 17,059,742

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, 2014

Debt and Assessed Value per Capita[1]

	Per Capita	Debt Amount
Direct General Obligation (G.O.) debt per capita	$ -	-
Direct and Contractual G.O. debt per capita	$ 862	$ 15,411,534
Direct debt, Contractual Debt, Notes, and Leases per capita	$ 866	$ 15,483,788
Direct and Contractual Debt, Notes, Leases, and Overlapping Debt per capita	$ 954	$ 17,059,742
Fair Market Value of Taxable Property per capita	$ 111,059	
Grossed Assessed value of property before exemptions	$ 794,384,023	
Net Tax digest for Maintenance and operations	$ 627,796,420	
Estimated Fair Market Value of Taxable Property	$ 1,985,960,058	
Population, estimated 2014	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

	Fiscal Year									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Assessed value of property	$ 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	$ 794,384,023
Debt limit (10% of total assessed value)	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	79,438,402
Amount of Debt applicable to limit:										
General Obligation debt	-	-	-	-	-	-	-	-	-	2,397,244
Less: Resources restricted to paying principal	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	2,397,244
Legal debt margin	$ 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	$ 77,041,159
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.02%

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

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
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	17,781	712,759,000	40,085	6.9%
2014	17,882	$ 717,035,554	$ 40,098	6.6%

Data sources:
(1) US Bureau of the Census; Then projected for 2014
(2) Federal Bureau of Economic Analysis; Then projected for 2013 & 2014
(3) Morgan County Chamber of Commerce

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

	2014			2005[1]		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Board of Education	475	1	5.47%	-		0.00%
Georgia-Pacific Wood Products LLC	450	2	5.19%	-		0.00%
Mannington Mills	220	3	2.54%	-		0.00%
Morgan Memorial Hospital	210	4	2.42%	-		0.00%
Pennington Partners LP	200	5	2.30%	-		0.00%
Wal-Mart	180	6	2.07%	-		0.00%
Anthony International (Sovis)	175	7	2.02%	-		0.00%
Morgan County Government	168	8	1.94%	-		0.00%
Flambeau	160	9	1.84%	-		0.00%
Bard Manufacturing	150	10	1.73%	-		0.00%
Lowes Home Centers Inc	120	11	1.38%	-		0.00%
All other employers	6,170		71.10%	-		0.00%
Total	8,678		100.00%	0		0.00%

Source: Morgan County Chamber of Commerce

1. Information is not available for 2005.

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

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

Source: Morgan County Finance Department - budget and payroll data

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

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

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

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 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Vehicles	6	7	7	7	8	8	8	12	12	14
Public Safety										
Jail cells	78	78	78	78	78	192	192	192	192	192
K-9 units	1	1	1	3	3	2	2	2	2	2
Fire Stations	13	13	13	13	13	13	13	12	12	12
Public works										
Streets (miles)	438	438	438	438	438	438	438	438	438	438
Health and welfare										
Senior service centers	1	1	1	1	1	1	1	1	1	1
Transit buses	4	4	4	4	4	4	4	4	5	5
Parks and recreation										
Acreage total	120	120	120	120	120	120	120	154	154	154
Swimming pools	1	-	-	-	1	1	1	1	1	1
Tennis courts	4	12	12	12	12	12	12	12	12	12
Baseball fields	9	9	9	9	9	8	8	8	8	8
Soccer fields	1	1	1	1	1	1	1	1	1	1
Playgrounds	5	7	7	7	7	5	5	7	7	7
Libraries	1	1	1	1	1	1	1	1	1	1
Sanitation										
Compactor sites	12	12	12	12	12	12	13	13	13	13

Sources: Various county departments

Compliance and Internal Control Reports

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P.O. DRAWER 2396
GAINESVILLE, GEORGIA 30503
WWW.BATESCARTER.COM

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

December 30, 2014

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, 2014, and the related notes to the financial statements, which collectively comprise the MORGAN COUNTY, GEORGIA's basic financial statements, and have issued our report thereon dated December 30, 2014. Our report includes a reference to other auditors who audited the financial statements of the Morgan County Health Department and the Morgan County Hospital Authority, as described in our report on MORGAN COUNTY, GEORGIA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

Bates, Carter & Co., LLP