

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2014



LIBERTY COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2014

Kim McGlothlin
Finance Officer

Liberty County, Georgia
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For the Year Ended June 30, 2014
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Introductory Section
(Unaudited)

BOARD OF COMMISSIONERS
LIBERTY COUNTY

DONALD L. LOVETTE
CHAIRMAN
MARION STEVENS, SR.
DISTRICT 1
JUSTIN L. FRASIER
DISTRICT 2
CONNIE THRIFT
DISTRICT 3

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PAT BOWEN
DISTRICT 4
GARY GILLIARD
DISTRICT 5
EDDIE J. WALDEN
DISTRICT 6
JOSEPH W. BROWN
COUNTY ADMINISTRATOR

January 22, 2015

The Honorable Donald L. Lovette, Chairman
Members of the Liberty County Board of Commissioners
And the Citizens of Liberty County, Georgia

The comprehensive annual financial report of Liberty County, Georgia for the year ended June 30, 2014, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that Liberty County issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Carr, Riggs & Ingram, Certified Public Accountants, have issued an unmodifed ("clean") opinion on Liberty County's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A), immediately following the independent auditor's report, provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Liberty County, chartered in 1777, is located in the eastern part of the state. The County currently has a land area of 542 square miles and a population of approximately 68,000. The local government is empowered to levy a property tax on both real and personal property located within its boundaries.

Liberty County operates under the commission-administrator form of government. Policy-making and legislative authority are vested in the governing commission, which consists of a seven-member board of commissioners. The commission is elected on a partisan basis. Commissioners are elected to four-year staggered terms. The Chairman is elected at large and the remaining six commissioners are elected from

within their respective districts. The governing commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees hiring the government's administrator, and the government's attorney. The County administrator is responsible for carrying out the policies and ordinances of the governing commission, for overseeing the day-to-day operations of the government, and for appointing the heads of the government's departments.

Liberty County provides a full range of services including county law enforcement and rural fire protection through contracts with volunteer firefighters; the construction and maintenance of highways, streets and other infrastructure; recreation and cultural programs; economic development through planning, zoning, permits, code enforcement and sign ordinance; health and welfare programs such as mosquito control, animal control, senior citizens center, agricultural resources, and indigent care assistance. Liberty County also provides Solid Waste services (a waste transfer station, convenience centers, and recycling centers) through a Solid Waste Authority. This Authority functions as an enterprise operation of Liberty County and is therefore included as an integral part of this report.

This Comprehensive Annual Financial Report includes the presentation of two discreetly component units: The Liberty County Health Department (LCHD) and the Liberty Regional Medical Center (LRMC). Although these units are legally separate entities, they are considered component units due to the nature and extent of financial contribution and responsibility that Liberty County incurs in relation to the respective operations. More information on these component units is made available in the notes to the financial statements.

Every year during the month of June, the governing body adopts an annual budget for the general fund, each special revenue fund, and the enterprise funds. Project-length budgets are adopted for the capital project funds. These appropriations are adopted at the department level within each fund, which is the legal level of budgetary control. Elected officials and department heads are directed to operate within their budgets. In the event a department requires funding that exceeds the original budget, the respective department head or elected official must come back before the board of commissioner for approval of additional appropriations.

Local Economy

The government currently enjoys a favorable economic environment and local indicators point to continued stability. Liberty County has generally grown faster than the state of Georgia over the past 30 years. The state has been growing in population about 9 percent every five years since 1970. Liberty County has grown about twenty percent every five years with the exception of a tremendous increase between 1975 and 1980. Between 1990 and 2000, the population of the Georgia coast increased by 17.5 percent. 2010 census data for the County was 63,453 or an increase of approximately 3% since 2000. This population increase can be attributed to three main factors: a general migration of people and industry to the coast, improved vehicular access to the area, and the influx of civilian and military personnel from Fort Stewart. These trends are expected to continue. Liberty County is currently a tier two county under Georgia's Job Tax Credit Program. Under this classification, eligible companies may receive $2,500 in tax credits for each new job created in the county. Due to Liberty County's participation in a Joint Development Authority, those companies may receive an additional $500 in tax credits. In addition, the County makes application through the Georgia Department of Community Affairs to participate in the designation of certain Military Zone census tracts will allow benefits of a tax credit of $ 3,500.00 per job for five years and the use of the credit against 100 % of corporate income tax liability.

The Liberty County Development Authority continued development within their 6,800 acre Mid-Coast Business Center. This facility, aptly named due its central location on the coastal I-95 corridor, is expected to continue to expand in the next 10 years. The Authority welcomed its newest partner Firth Rixon a manufacturer of forging and specialty metals. Initial employment for the company is set at 155 persons. The company is currently working on plant expansion expected to be complete in early 2014. Following this expansion the company expects to employ over 300 persons at the Mid-Coast Park facility. Availability of additional development space at Mid-Coast, together with holdings at Trade Port West Business Center, will allow the Authority to be very aggressive in soliciting tenants.

The County began construction on the first rural county water system to serve residents of the Holmestown/Lewis Frasier Road area. The County was successful in obtaining Community Development Block Grant funds from the Georgia Department of Community Affairs which will be used to assist low to moderate income customers with connectivity along the route. These funds were paired with a loan from the United States Department of Agriculture to complete construction of the system. Cost of the system is estimated to be $6,000,000.00 and will serve approximately 374 customers. In addition to quality drinking water the system will also allow provide enhanced fire protection to the area served through fire hydrant availability.

The County continued disbursement of SPLOST funds for various capital improvement projects in the areas of recreation, roads and building improvements. The county completed renovations to an existing school facility which will serve as the East End Community Center. This center boasts several community meeting rooms, a library, swimming pool, and other county offices. The Center will offer citizens of the East side of the county an ability to obtain County services without travel to central office locations in Hinesville.

Long-term Financial Planning

The County is expected to begin design associated with the expansion of one of the 5000' runways at Midcoast Regional Airport at Wright Army Airfield. This expansion of 1500' feet will allow larger civilian and military aircraft types to utilize the facility, help insure the viability of Fort Stewart, and provide accommodations for possible industrial clientele. The County will pursue State, Federal, and private partnerships in this endeavor which serves as a model for military/civilian partnerships in the region.

The County will complete its first rural water system and begin management of the assets and customer base. It is expected to contract for system maintenance and billing during the early years of operation.

The County will continue work toward upgrading fire services. Through possible assumption of privately owned stations and assets, the County will seek to build a stronger volunteer base within these communities and standardize training. The result of these endeavors will help to ensure a more rapid response and reduce ISO rates in these sectors.

The County will continue enhancement of capital structures with the use of SPLOST funds. It is anticipated that construction will begin on a new animal control facility and main branch library. Upgrades and improvements will also occur in the areas of recreation, road construction/maintenance, and historical improvements.

Relevant Financial Policies

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

As a recipient of federal, state and local financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management.

Major Initiatives

The County will continue to look upgrades to infrastructure and operations in order to keep pace with the expected growth to the region and to achieve increased efficiency. Construction is expected to begin on a new main library for the Hinesville area, as well as, a new animal control facility. The new 25,000 square foot library will complement a new adjacent higher education center while the animal control facility will replace an aging inefficient house built in the 1960's. One internal initiative includes replacement of the current County website to a more user friendly site capable of displaying more updated information on County departments and events. It is anticipated that the new site will also offer expanded capabilities for information to be directly input by individual departments and additional links for the public to various community sites and activities. Finally, the County is expected to work with the municipal governments to formalize an intergovernmental agreement associated with renewal of the Special Purpose Tax program. The current program, fifth in succession, expires March of 2015. It is anticipated that the issue will be put before the voters as part of the November general election process.

Awards and Acknowledgements

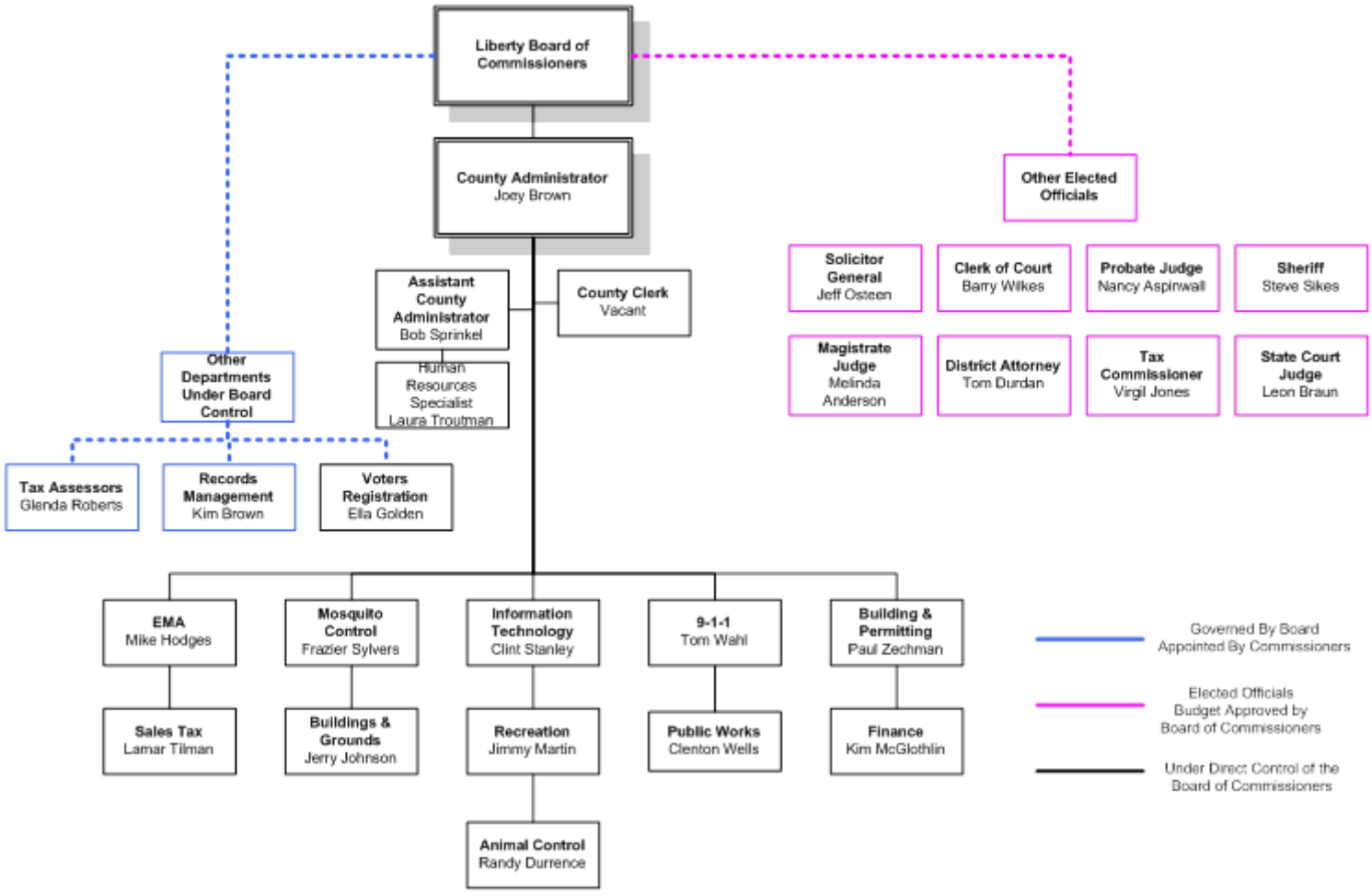
I would like to extend my gratitude to the entire staff of the finance department. Their continued commitment to the financial needs of the County made the preparation of this report possible. I would also like to express my appreciation to our elected officials and department heads who work as a team to help make this report and other requirements of an efficient government possible.

Finally, a special acknowledgement to the Chairman and the Board of Commissioners for their continued guidance and support in planning and conducting the financial affairs of Liberty County. It is their professionalism and foresight that allow the County to be progressive and successful.

Respectfully submitted,



Joseph W. Brown
County Administrator


Liberty Board of Commissioners
County Administrator
Joey Brown
Assistant County Administrator
Bob Sprinkel
Human Resources Specialist
Laura Troutman
County Clerk
Vacant
Other Departments Under Board Control
Tax Assessors
Glenda Roberts
Records Management
Kim Brown
Voters Registration
Ella Golden
EMA
Mike Hodges
Sales Tax
Lamar Tilman
Mosquito Control
Frazier Sylvers
Buildings & Grounds
Jerry Johnson
Information Technology
Clint Stanley
Recreation
Jimmy Martin
Animal Control
Randy Durrence
9-1-1
Tom Wahl
Public Works
Clenton Wells
Building & Permitting
Paul Zechman
Finance
Kim McGlothlin
Other Elected Officials
Solicitor General
Jeff Osteen
Clerk of Court
Barry Wilkes
Probate Judge
Nancy Aspinwall
Sheriff
Steve Sikes
Magistrate Judge
Melinda Anderson
District Attorney
Tom Durdan
Tax Commissioner
Virgil Jones
State Court Judge
Leon Braun
Governed By Board Appointed By Commissioners
Elected Officials Budget Approved by Board of Commissioners
Under Direct Control of the Board of Commissioners

ELECTED

Donald Lovette, Chairman

Marion Stevens, Sr., District 1

Justin L. Frasier, District 2

Connie Thrift, Vice Chairman, District 3

Pat Bowen, District 4

Gary Gilliard, District 5

Eddie J. Walden, District 6

STAFF

Joseph W. Brown, County Administrator

Robert W. Sprinkel, Assistant County Administrator

Kim McGlothlin, Chief Financial Officer



Financial Section

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Liberty County, Georgia
Hinesville, 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 Liberty County, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Liberty County Health Department or the Liberty Regional Medical Center, which collectively represent 100% of the assets, net position and revenues of the County's aggregate discretely presented component units.

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

We did not audit the financial statements of the Liberty County Health Department or the Liberty Regional Medical Center, which collectively represent all of the County's aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these component units, is based solely on the reports 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. The financial statements of the Liberty County Medical Center were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial statement 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 reports 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 Liberty County, Georgia, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 on pages 5 through 21 and the schedules of funding progress on page 88 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

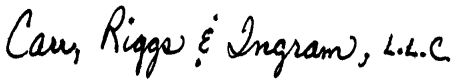
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Liberty County, Georgia's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements of Liberty County, Georgia. The schedules of special purpose local option sales tax expenditures are presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards, and the schedules of special purpose local option sales tax expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards, and the schedules of special purpose local option sales tax expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2015, on our consideration of Liberty 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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Liberty County, Georgia's internal control over financial reporting and compliance.



Carr, Riggs & Ingram, LLC
Certified Public Accountants
January 22, 2015

Introduction

As management of Liberty County, Georgia, we offer readers of the County's financial statements this narrative overview and analysis detailing the financial activities of Liberty County for the year ended June 30, 2014. This discussion is intended to help provide a comprehensive understanding of the financial performance and condition of Liberty County taken as a whole, and should be considered in conjunction with the basic financial statements, notes to the financial statements, and the letter of transmittal presented in Liberty County's Comprehensive Annual Financial Report (CAFR). Liberty County has prepared its annual report in compliance with the financial reporting model set forth by the Governmental Accounting Standards Board, GASB 34. This reporting model is a combination of both Government-Wide Financial Statements and Fund Financial Statements. As such, our CAFR's basic financial statements contain three components:

1) *Government-Wide Financial Statements*, including a Statement of Net Position and a Statement of Activities. These statements provide a broad, long-term overview of Liberty County's financial condition based upon the focus of total economic resources available.
2) *Fund Financial Statements*, including Balance Sheets and Statements of Revenues, Expenditures, and Changes in Fund Balance. These statements focus on the short-term perspective of Liberty County's financial condition and are based solely upon current financial resources available.
3) *Notes to the Financial Statements*, including policies, definitions, classifications, supporting schedules, and narrative disclosures.

This "Management Discussion & Analysis" highlights and summarizes in general terms the basic financial information contained within our annual report. We encourage readers to read the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

Key Financial Highlights for Fiscal Year Ended June 30, 2014 are as follows:

Government-Wide Financial Statements

- Liberty County's government-wide assets exceed its liabilities by $113,346,855 (net position). Of this amount, $2,716,329 (unrestricted net position) or 2.4% may be used to settle the County's ongoing obligations.

- The County's total net position decreased just slightly from $113,975,836 (restated) in 2013 to $113,346,855 in 2014, for a total decrease of $628,981, or 0.5%.

- County revenues for fiscal year 2014 totaled $43,972,159. Of this amount, $15,817,020, or 36%, resulted from program revenues, with the balance of $28,155,139, or 64%, resulting from general revenues.

- County expenses for 2014 totaled $44,601,140 an increase of $3,092,856 or 7.5%, compared to prior year's expenses of $41,508,284 (restated). Total expenses are a combination of governmental programs costing $41,668,341 or 93.4%, and business-type activities totaling $2,932,799 or 6.6%.

Governmental Funds Financial Statements

- Total assets of $39,346,469 in the County's governmental funds exceed total liabilities and deferred inflows of resources by $34,384,552 (fund balance). Of this amount, $11,630,427 or 33.8% is unassigned and available to settle the County's current obligations within the governmental funds.

- The County's total governmental fund balance increased by $376,537 or 1.1%, increasing from $34,008,015 (restated) in 2013 to $34,384,552 by the end of fiscal year 2014.

- The most significant increase in fund balance occurred in the "Special Purpose Local Option Sales Tax V Fund." This fund, the current sales tax program, continued to build up a cash balance in order to support remaining projects yet to be started. This resulted in an overall increase of $2,830,473 or 26.9%, up from $10,520,017 (restated) in 2013 to $13,350,490 in 2014.

- Collectively, total fund balance in the "Non-major Governmental Funds" decreased $1,638,629. The largest decrease was in the SPLOST IV fund, which experienced a decrease of $2,005,782 or 42.7%. Two more "Non-major" capital funds also reported a decrease in fund balance. SPLOST II decreased a total of $15,254 or 4.1%, dropping from $375,491 in 2013 to $360,237 in 2014 and SPOLST III decreased a total of $237,598 or 95.6%, dropping from $248,540 in 2013 to $10,942 in 2014. Three of the "Non-major" capital funds reported an increase in fund balance from the prior year. The Capital Projects Fund eliminated their deficit position by increasing fund balance by $351,870 or 114.6% increasing from ($306,981) in 2013 to a balance of $44,889 in 2014. The Wright Army Airfield increasing their fund balance at total of $86,348 or 41.2% reducing their deficit position of ($209,602) in 2013 to ($123,254) in 2014. Also reducing a deficit

position, the Water Project Fund balance increased by $4,999 or 9.1%, growing from ($54,743) in 2013 to ($49,744) in 2014.

- Several of the funds within the "Non-major Governmental Fund," experienced growth in fund balance for the fiscal year 2014. The most significant increases were in the Multiple Grant Fund and the Liberty County Projects Corporation, both eliminating deficit positions. The Multiple Grant Fund reported a balance of $49,172 in 2014, up from ($29,465) in 2013, for an overall increase of $78,637 or 266.9%. The Liberty Projects Corporation also eliminated 100% of the deficit position of ($31,891) in 2013, reporting a $0 fund balance in 2014. Other increases in special revenue fund balances were as follows: Law Library increased by $7,123 or 12.8%, increasing from $55,506 in 2013 to $62,629 in 2014; Victim Witness Assistance Fund increased by $67,390 or 10.8%, growing from $623,226 in 2013 to $690,616 in 2014. Child Support Recovery Fund balance increased from $420,354 in 2013 to $444,655 in 2014, for an overall increase of $24,301 or 5.8%. The Jail Commissary Fund increased by $13,380 or 8.4%, growing from $159,382 in 2013 to $172,762 in 2014. The Jail Fund grew by $13,826 or 10.6%, increasing from $130,399 in 2013 to $144,225 in 2014. Finally, the Technology Fund, and the E-911 Fund both experienced marginal growth from 2013 to 2014. The Technology Fund increased by $1,315 or 6.8%, increasing from $19,272 in 2013 to $20,587 in 2014, and the E-911 Fund increased a total of $501, or less than 0.01%, growing from $386,431 in 2013 to $386,932 in 2014.

- Five of the 15 Special Revenue Funds within the "Non-major Governmental Funds" reported a decrease in fund balance from prior year. Overall Special Revenue Fund decreases were as follows: The Confiscated Assets Fund decreased by $35,456 or 52.9%, dropping from $68,884 in 2013 to $32,428 in 2014; The DARE Fund dropped from $54, 213 in 2013 to $40,728 in 2014, for a total decrease of $13,485 or 24.9%; The Juvenile Services Fund decreased by $2,991 or 96.3%, dropping from $3,106 in 2013 to $115 in 2014; The Recreation Fund added to a deficit balance $941 or 0.3%, reporting a balance of ($239,696) in 2013 and a balance of ($240,637) in 2014; and the Records Center Fund also grew the existing deficit balance of by $7,703 or 462.6%, increasing from ($1,665) in 2013 to ($9,368) in 2014.

- The County's governmental fund balance is allocated among the following items: $4,256,514 (12.4%) Non-spendable; $18,259,373 (53.1%) Restricted; $20,587 (0.1%) Committed; $217,651 (0.6%) Assigned; and $11,630,427 (33.8%) Unassigned.

- General Fund revenues totaling $24,989,211 achieved 95.0% of budgeted revenues of $26,298,753 creating a shortfall of $1,309,542 or 5.0%.

- Liberty County's General Fund exhausted $23,431,636 (96.8%) the budgeted $24,163,308 expenditures, and thereby achieved a savings of $731,672.

Overview of the Financial Statements

Our government-wide financial statements are designed to provide a broad overview of the County's total financial performance over the year and the resulting financial condition thereof. These statements apply an "economic resource" perspective, much like those in the private sector. This differs from the "current resource" perspective traditionally applied in fund financial statements. This Management Discussion & Analysis assists readers by highlighting in plain language the events that have occurred over the past year to bring about the current financial condition of Liberty County. We encourage readers to review all of the basic financial statements, along with the MD&A, letter of transmittal, and supplementary information in order to fully understand the overall financial condition of Liberty County, Georgia.

Reporting on the County as a Whole

The government-wide financial statements, including a Statement of Net Position and a Statement of Activities (beginning on page 22), helps readers identify whether or not the County, taken as a whole, is in better condition as a result of the events that have taken place over the past year. These statements capture *all* assets and liabilities using the *full accrual* basis of accounting. This method of accounting resembles that used by most private-sector companies by recording all of the current year's revenues and expenses regardless of when cash is received or paid.

In the Statement of Net Position and the Statement of Activities, the County is presented in three distinct activities:

- *Governmental Activities* – This section reports on the primary governmental services: general government, judiciary, public safety, public works, health and welfare, culture and recreation, housing and development, and interest on long-term debt. The majority of funding for these programs comes from property taxes, sales tax, and fines & forfeitures.
- *Business-type Activities* – There are three business-type activities reported: The County's Solid Waste Operations, the County's Water System Fund, and the County's Revolving Loan Fund. These services are funded primarily through a user charge and do not budget operations through the use of property taxes.
- *Component Units* – There are two discretely presented component units reported; Liberty County Health Department and Liberty Regional Medical Center, an one blended component unit; The Liberty County Projects Corporation. Although the two discretely presented component units are legally separate entities, they are included in this Comprehensive Annual Financial Report (CAFR) due to the County's significant financial interest in these units. Separate financial statements are prepared for each of these discretely presented component units, and information on how to obtain these financials is located on page 41 of this CAFR. The blended component unit is included as a special revenue fund within the County's governmental financial statements.

Reporting on the County's Most Significant Funds

The fund financial statements (beginning on page 26) provide a more detailed look at the County's most significant funds. While certain funds are required by state law, others are established by the Board of Commissioners to help control budgets and financing for specific purposes. The County maintains three categories of funds: governmental, proprietary, and fiduciary.

- *Governmental Funds* – Funds representing the more traditional governmental services; general government, judiciary, public safety, public works, health and welfare, culture and recreation, housing and development, and interest on long-term debt. These funds use a method of accounting called the *modified accrual* approach, by which financial assets are reported based on their ability to be readily converted into cash. Governmental funds provide a short-term view of the County's general government operations and help determine the amount of financial resources that are available in the near future to fund ongoing County programs. On page 27 you will find reconciliation between the "Governmental Fund Balances" and "Net Position of Governmental Activities." Page 29 provides reconciliation between the "Statement of Revenues, Expenditures, and Changes in Fund Balances" and the "Statement of Activities." Both of these reconciliations identify the differences between Governmental Funds and Government-Wide Activities.

- *Proprietary Funds* – These funds operate much like private sector business by charging user fees for services rendered. Proprietary funds use the same method of accounting as used in the Statement of Net Position and the Statement of Activities; the *full accrual* method of accounting. This method of accounting recognizes transactions when they occur, regardless of the timing of related cash flows. However, greater detail is provided for these funds as reported in the fund financial statements. The two proprietary funds reported by Liberty County are the Solid Waste Fund and the Revolving Loan Fund.
- *Fiduciary Funds* – These funds are established to report on assets being held by the County for the benefit of parties outside the government. Although these funds are presented in the fund financial statements, they do not appear in the government-wide statements because the resources of these funds are not available to support the programs of Liberty County local government. There are three fiduciary funds being reported: Agency Funds, Jail Commissary Private-Purpose Trust Fund, and the Employee Pension Fund. Fiduciary funds are reported using the *full accrual* method of accounting.

Liberty County, Government-Wide

Table 1 presents a financial position of $113.3 million in total net position. This represents a slight decrease from 2013. As illustrated, the County's total assets increased slightly by $1.5 million or 0.1%. However, this increase was offset by an increase in liabilities in the amount of $2.1 million or 5.2%.

Table 1. Liberty County's Net Position (millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current & Other Assets	$ 37.8	$ 37.1	$ (2.3)	$ (3.0)	$ 35.5	$ 34.1
Capital Assets	115.8	118.5	4.6	1.8	120.4	120.3
Total Assets	153.6	155.6	2.3	(1.2)	155.9	154.4
Long-Term Debt	35.2	34.5	2.2	1.5	37.4	36.0
Other Liabilities	4.1	4.3	1.1	0.2	5.2	4.5
Total Liabilities	39.3	38.8	3.3	1.7	42.6	40.5
Net Position (2013 restated):						
Net investment in capital assets	89.0	86.4	3.3	1.4	92.3	87.8
Restricted	18.3	20.6		-	18.3	20.6
Unrestricted	7.0	9.8	(4.3)	(4.3)	2.7	5.5
Total Net Position	$ 114.3	$ 116.8	$ (1.0)	$ (2.9)	$ 113.3	$ 113.9

The growth for fiscal year 2014 continued within the business-type activities, reporting a reduction in the current deficit position of $(1.0) million in net position, an increase of $1.9 million or 65.5% from 2013 to 2014. However, this increase was offset by the decline in net position within governmental activities. Total net position within governmental activities decreased $2.5 million, or 2.1%, dropping from $116.8 in 2013 to $114.3 in 2014.

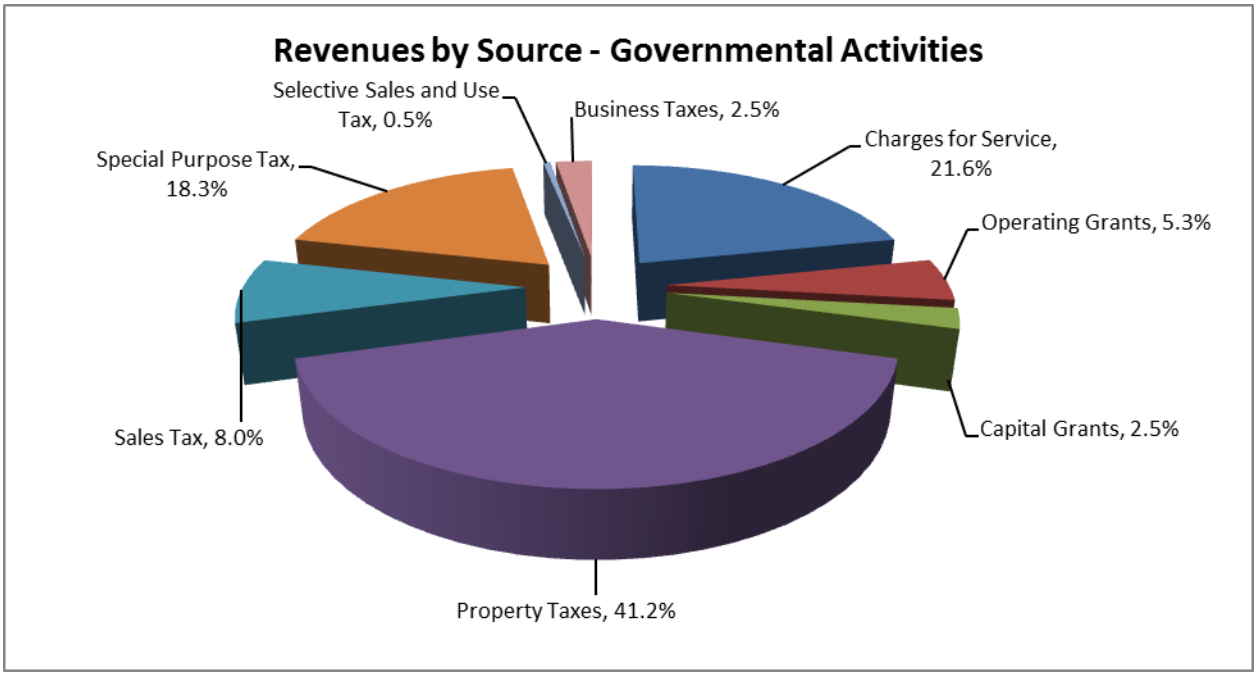
The County's long-term debt to total assets ratio for governmental activities is approximately 22.9%. Finally, of the total net position reported for governmental activities, $7.0 million or approximately 6.1% may be used to settle ongoing government program obligations.

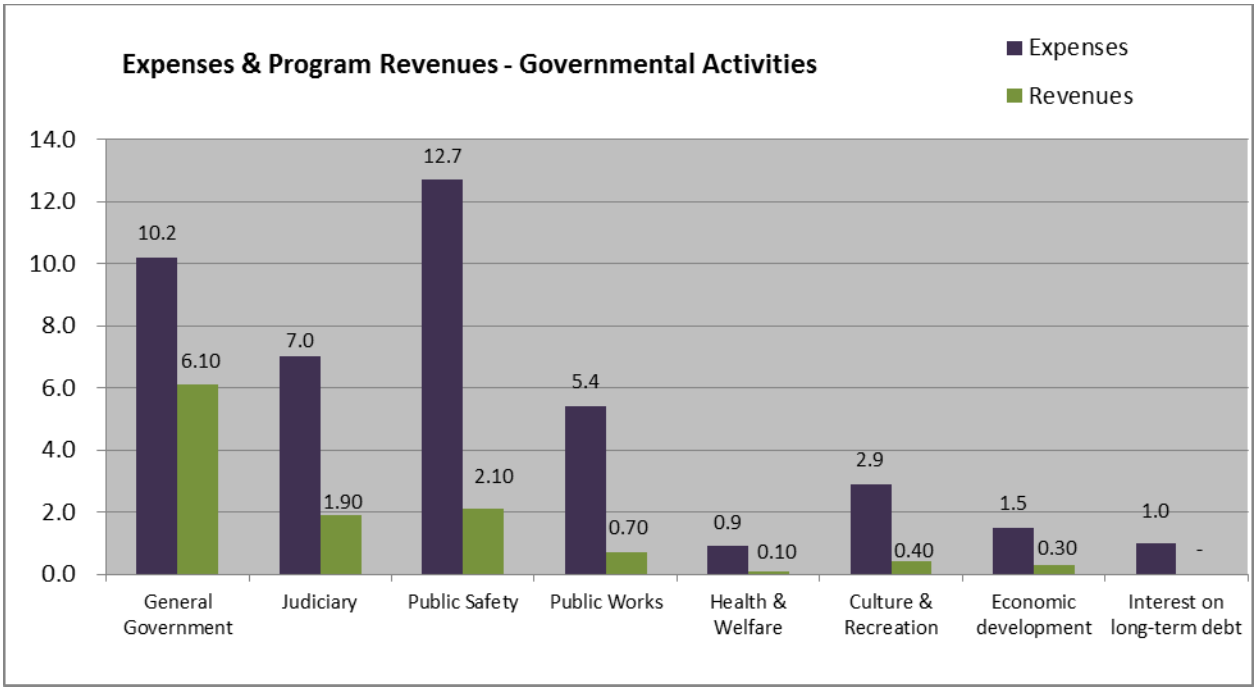
The deficit of $1.0 million reported in the business-type activities is the result of several historical years' worth of recurring losses in the Solid Waste Fund. However, these losses have continued to decline over the past nine years through the implementation of a solid waste assessment. Although this solid waste assessment has enabled the Solid Waste Fund to report a modest increase in operating income over the past nine years, it will be several years before that fund will be able to report a normal net asset balance. The annual assessment established nine years ago, combined with annual revisions of commercial rates of selected service contracts has been the plan in motion to help financially revamp the Solid Waste Enterprise Fund operations. Furthermore, with the addition of the new water system coming online as a fully operational enterprise fund in the next year, total "Business-Type Activities" will continue to see a turn around and the overall deficit position should be eliminated.

Table 2. Liberty County's Change in Net Position (millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services	$ 8.6	$ 8.7	$ 3.1	$ 2.8	$ 11.7	$ 11.5
Operating Grants	2.1	2.3	-	-	2.1	2.3
Capital Grants	1.0	0.4	1.0	-	2.0	0.4
General Revenues:						
Property Taxes	16.4	15.0	-	-	16.4	15.0
Sales Tax	3.2	3.1	-	-	3.2	3.1
Special Purpose Tax	7.3	7.6	-	-	7.3	7.6
Selective Sales and Use Tax	0.2	0.9	-	-	0.2	0.9
Business Taxes	1.0	0.7	-	-	1.0	0.7
Intergovernmental Revenue	-	-	-	-	-	-
Unrestricted Investment Earnings	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	39.8	38.7	4.1	2.8	43.9	41.5
Program Expenses:						
General Government	10.2	8.7	-	-	10.2	8.7
Judiciary	7.0	7.1	-	-	7.0	7.1
Public Safety	12.7	12.4	-	-	12.7	12.4
Public Works	5.4	3.9	-	-	5.4	3.9
Health & Welfare	0.9	0.8	-	-	0.9	0.8
Culture & Recreation	2.9	2.4	-	-	2.9	2.4
Economic development	1.5	2.1	-	-	1.5	2.1
Interest on Long Term Debt	1.0	1.3	-	-	1.0	1.3
Solid Waste	-	-	2.9	2.7	2.9	2.7
Water System	-	-	-	-	-	-
Revolving Loan	-	-	-	-	-	-
Total Expenses	41.6	38.7	2.9	2.7	44.5	41.4
Change Before Transfers	(1.8)	-	1.2	0.1	(0.6)	0.1
Transfers	(0.7)	-	0.7	-	-	-
Change in Net Position	(2.5)	-	1.9	0.1	(0.6)	0.1
Net Position Beginning (restated)	116.8	116.8	(2.9)	(3.0)	113.9	113.8
Net Position Ending	$ 114.3	$ 116.8	$ (1.0)	$ (2.9)	$ 113.3	$ 113.9

FY 2014 expenses for governmental activities exceeded revenues by $1.8 million. As illustrated by Table 2, the major revenues supporting governmental activities are property taxes at $16.4 million or 41.2%, charges for services at $8.6 million or 21.6%, special purpose tax at $7.3 million or 18.3%, sales tax at $3.2 million or 8.0% and operating grants at $2.1 million or 5.3%.





The major expenses related to governmental activities are public safety at $12.7 million or 31.1%, general government at $10.2 million or 24.9%, Judiciary at $6.3 million or 15.4%, and public works at $5.4 million or 13.2%. Public Safety continues to be the largest governmental expense in fiscal year 2014. Expenses related to jail staffing and inmate care, combined with rising fuel cost and a growing force of road deputies continue to increase the budget for public safety.

Revenues in business type activities came in at $4.1 million, an increase of $1.3 million from 2013 to 2014. In the Solid Waste fund, charges for services increased from $2.8 million in 2013 to $3.1 million in 2014, or 10.7%. The County continues its effort to collect outstanding solid waste assessments on properties identified with a dwelling located on them, while looking for cost savings initiatives within operations.

Governmental Activities

The government-wide reporting model provides users with an understanding of how governmental functions are supported. By identifying specific revenues that are generated by their related programs, a user is able to determine the shortfall "net cost" of any given program. A program that does not cover its own cost must be supported by general revenues such as property tax, sales tax, and other taxes. Table 3 illustrates how the County's programs fall short of supporting themselves and must therefore rely on general revenues such as those mentioned above. In essence, the net cost of any governmental program is supported through the use of property taxes, sales taxes and other taxes.

Table 3. Liberty County's Governmental Activities (millions)

	Total Expenses of Services		Net Expense (Revenue) of Services	
	2014	2013	2014	2013
General Government	$ 10.2	$ 8.7	$ 4.1	$ 6.4
Judiciary	7.0	7.1	5.1	5.6
Public Safety	12.7	12.4	10.6	5.1
Public Works	5.4	3.9	4.7	4.5
Health & Welfare	0.9	0.8	0.8	0.3
Culture & Recreation	2.9	2.4	2.5	2.1
Economic development	1.5	2.1	1.2	2.0
Interest on Long-Term Debt	1.0	1.3	1.0	1.3
Totals	$ 41.6	$ 38.7	$ 30.0	$ 27.3

As illustrated by Table 3, governmental functions fell $30.0 million short of sustaining operations through revenues directly attributable to those programs. As a result, citizens support these programs through payment of property taxes, sales taxes, and other taxes.

- Table 3 illustrates total expenses increased by $2.9 million or 7.5%, while net expenses increased by $2.7 million or 9.9%.
- The most significant increase in net expenses is attributable to Public Safety, increasing from $5.1 million in 2013 to $10.6 million in 2014, an increase of 108%. Although total expenses increased by only $0.3 million, or 2.4%, total program revenues in all areas (Charges of Services, Operating Grants, and Capital Grants) dropped significantly. Program revenues declined a total of $5.2 million, or 71%.
- Another area of increase occurred in the Public Works function, growing in total expenses of $3.9 million in 2013 to $5.4 million in 2014, or 38.5%. Additionally, the net expense for this function also increased from 2013 to 2014 by $0.2 million, or 4.4%.
- Health & Welfare also experienced an increase in both total and net expenses. Total expense increased by $0.1 million, or 12.5%. However, the net expense in this area grew by $0.5 million, or 167%, increasing from $0.3 million in 2013 to $0.8 million in 2014.
- The area of Culture & Recreation increased in both total and net expense. Total expense increased from $2.4 million in 2013 to $2.9 million in 2014, for a total increase of $0.5 million, or 20.8%. Net expenses followed suit and increased by $0.4 million, or 19.0%, growing from $2.1 million in 3013 to $2.5 million in 2014. This was the result of a new east end community complex opening up towards the end of the fiscal year.
- While the total expenses in the General Government area increased by $1.5 million, or 17.2%, the net expense in this area decreased by $2.3 million, or 35.9%.
- The most significant decrease in both total and net expenses occurred in the Economic Development function. Total expenses declined by $0.6 million, or 28.6%, dropping from $2.1 million in 2013 to $1.5 million in 2014. Additionally, net expenses declined a total of $.8 million, or 40%, dropping from $2.0 million in 2013 to $1.2 million in 2014.
- The Judiciary function also experienced a decline in both total expenses and net expenses. This area decreased $0.1 million, or 1.4%, in total expense from 2013 to 2014 and decreased by $0.5 million, or 8.9%, in net expense from 2013 to 2014.
- Finally, both total expense and net expense for Interest on Long-Term Debt decreased by $0.3 million, or 23.1%, dropping from $1.3 million in 2013 to $1.0 million in 2014.

Business-Type Activities

Fiscal year 2014 marks the tenth consecutive year that the Solid Waste Fund has reported a net income. Coming in at $204,895, this year's net income continues to support the application of the solid waste assessment fee that was implemented ten years ago. The user charge continues to be the most appropriate method for the county to provide solid waste services to the citizens, while maintaining an efficient economic model that balances both private and commercial business. Solid Waste net income is up from 2013 by $144,644, or 240%. This is due to increased cost reductions, and the continued marketing efforts to bring on more commercial customers to help support the overall business model. The County is optimistic for the continued turnaround of the carrying deficit in the Solid Waste Fund and continues to monitor both residential and commercial services in order to provide the most cost efficient operation. It has been the intention of the Board over the past several years to allow the Solid Waste operations to run as a true enterprise fund without supplementing revenues with any type of operational transfer. The Board is committed to continuing to look for ways to help the Solid Waste Fund become self-sustaining and repay the $3.8 million it currently owes the General Fund.

The County established a Water System Fund in FY 2012, and broke ground in FY 2013. This project, anticipated to come online with services by February 2015, will be accomplished through a combination of USDA loans and grants totaling $4.2 million, SPLOST funding of $0.25 million, and a CDBG grant totaling $0.5 million.

The deficit in total net position for Liberty County's business-type activities decreased significantly from $2.9 million in 2013 to $1.0 million in 2014 for a total decrease of $1.9 million, or 65%. This was primarily the result of the new water system being adding to the mix of enterprise funds, combined with positive growth within the solid waste fund.

The County's Major Governmental Funds

At the end of fiscal year 2014, Liberty County's governmental funds have a combined fund balance of $34,384,552. This balance increased $376,537, or 1.1%, from the fiscal year 2013 combined fund balance of $34,008,015 (restated). The governmental funds consist of two major funds and collectively twenty-one non-major funds. The county's General Fund decreased slightly from $17,125,251 in 2013 to $16,309,944 in 2014, a total of $815,307, or 4.8%. This decrease was the result of utilizing OEA funds for one time capital expenditures. The only other major fund, Sales Tax V, reported an increase in fund balance of $2,830,473, or 26.9%. Sales Tax V, the current sales tax program approved by voters in November 2008, began collections in April 2009. Fund balance in this fund continues to grow through a build-up of cash that will support the remaining referendum projects.

Non-major governmental funds collectively reported an decrease of $1,638,629, or 25.8%, in fund balance growing from $6,362,747 in 2013 to $4,724,118 in 2014. This significant decrease is due primarily to Sales Tax IV fund decrease of $2,005,782 or 42.7%. Within the twenty-one "Non-major" funds, 12 of these funds reported an increase in fund balance, and eight reported a decrease in fund balance, and one fund remained constant from 2013 to 2014 (Hotel / Motel).

The following funds reported increases in fund balance for 2014: Liberty County Projects Corporation fund balance increased by $31,891, or 100%, eliminated their previous year deficit of $31,891, Law Library fund balance increased by $7,123 or 12.8%, Jail fund increased by $13,826 or 10.6%, E-911 fund increased by $501 or less than 0.1%, Victim Witness Assistance fund increased by $67,390 or 10.8%, Jail Commissary fund increased by $13,380 or 8.4%, Multiple Grant fund increased by $78,637 or 266.91%, Child Support Recovery fund increased by 24,301 or 5.8%, Technology fund increased by $1,315 or 6.8%, Capital Projects fund increased by $351,870 or 114.6%, Wright Army Airfield fund increased by 86,348 or 41.2%, and the Water Project fund increased by $4,999 or 9.1%. Details of these fund balances are reported on pages 89 through 106.

The following funds reported a decrease in fund balance for 2014: Confiscated Assets fund decreased by $35,456 or 52.9%, DARE fund decreased by $13,485 or 24.9%, Juvenile Services fund decreased by $2,991 or 96.3%, Recreation fund decreased by $941 or 0.3%, Records Service Center fund decreased by $7,703 or 462.6%, Special Purpose Local Option Sales Tax II fund decreased by $15,254 or 4.1%, Special Purpose Local Option Sales Tax III fund decreased by $237,598 or 95.6%, and Special Purpose Sales Tax IV decreased by $2,005,782 or 42.7%. Details of these fund balances are reported on pages 89 through 106.

Liberty County's total governmental fund balance of $34,384,552 is divided among various components: non-spendable, restricted, committed, assigned, and unassigned. Of total fund balance, 53.1% or $18,259,373 of this fund balance is classified as restricted (combining special revenue and capital project funds). The remaining balance of $16,125,179 is reported as follows: General Fund non-spendable is $4,256,514 or 12.4%, and General Fund unassigned is $12,053,430 or 35.1% but is offset by a deficit of $(423,003) or (1.2)% unassigned within Special Revenue and Capital funds. Special Revenue committed and/or assigned totals $238,238 or 0.7%. Most importantly, however, is that Liberty County has a healthy unassigned fund balance of $11,630,427, or 33.8%, available to meet current ongoing obligations within the governmental funds.

Revenues for the General Fund totaled $24,989,211 or approximately 62.8% of total governmental revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance on page 28 of the Financial Statements. This is a slight increase of $206,669 or 0.8% from prior year. Of the General Fund revenue reported for 2014, the largest portion, $19,391,511 (77.6%), was collected through taxes. The second largest revenue source of revenue reported, $2,526,471 (10.1%), was captured in fines and forfeitures. The third largest revenue source, $2,161,901 (8.7%) was collected through charges for services. Finally, the fourth largest revenue, $729,790 (2.9%), was reported in the area of Other Revenues.

Total General Fund revenues exceeded expenditures by $1,557,575 or 6.6%. However, operating transfers totaling $2,372,882 consumed this and more, generating an overall negative change in fund balance in the amount of $815,307. Transfers out were made to the following funds: Recreation Fund received $1,343,732, E-911 fund received $798,677, Capital Projects fund received $300,000, and Wright Army Airfield received $2,971. A transfer into the General Fund of $72,498 was received from the Hotel/Motel Fund. Total expenditures for the General Fund were $23,431,636 (not including other financing sources & uses). Overall, General fund balance decreased from prior year by $815,307 or 5.0%, dropping from $17,125,251 in 2013 to $16,309,944 in 2014.

General Fund Budgetary Highlights

Table 4 illustrates the results of the General Fund revenue budgetary highlights for 2014. During the planning sessions, management anticipated the return of troops sometime during the third and fourth quarter of the fiscal year. Many of those units experienced extended deployments.

Table 4. General Fund Revenue Budgetary Comparison (millions)

	2014 Budget	2014 Actual	Variance
Taxes	$ 20.6	$ 19.4	$ (1.2)
Licenses and Permits	0.1	0.1	-
Intergovernmental Revenues	0.1	0.1	-
Charges for Services	2.2	2.2	-
Fines and Forfeitures	2.5	2.5	-
Miscellaneous Revenue	0.8	0.7	(0.1)
Totals	$ 26.3	$ 25.0	$ (1.3)

Total revenues in the General Fund fell short of budget amounts by $1,309,542 or 5.0%. The majority of this variance is attributable to a shortfall in taxes, more specifically in property taxes. Due to the economic environment and the extended deployment of troops during 2014, overall tax revenues were down. Adding to this shortfall were charges for services, falling short $59,350 or 2.7%, and other revenue short by $24,098 or 3.2%.

Table 5. General Fund Budgetary Expenditure Comparison (millions)

	2014 Budget	2014 Actual	Variance
General Government	$ 6.3	$ 5.9	$ 0.4
Judiciary	4.1	4.0	0.1
Public Safety	9.6	9.4	0.2
Public Works	2.0	1.9	0.1
Health & Welfare	0.6	0.5	0.1
Culture & Recreation	0.4	0.4	-
Economic development	0.8	0.8	-
Debt Service	0.3	0.5	(0.2)
Totals	$ 24.1	$ 23.4	$ 0.7

The following details the variances experienced during the year.

- Of the fifty-four departments within the General Fund, only three departments were not able to operate within their fiscal year appropriations. However, the other 51 departmental budgets were able to collectively generate enough savings to cover those shortfalls and produce an overall savings of $731,672. Much of this was attributable to the elimination of any non-mandated travel and training, and deferring hiring dates.

- The largest savings that occurred was in the function of Public Safety the Jail division. Utilizing funds from the Jail Staffing & Construction, the jail was able to generate a positive variance of $169,630 for the year

- Several departments within the General Government function of the County came in under budget, with the largest savings attributable to the Tax Assessor department in the amount of $101,501. The Building Maintenance also contributed to the positive variance with a savings of $78,569, and the Elections department also contributed with a significant savings by coming in under budget in the amount of $74,667.

- Finally, it was in the Judicial function and the Debt Service function that incurred budget overruns for the year. Collectively, the Clerk of Superior Court and the Juvenile Court departments ran over budget by $27,942, and Debt Service ran over budget by $165,641.

Overall, the County took a very pro-active approach to the downward turn of the economy, cutting back wherever possible while maintaining the same level of service to citizens.

Capital Asset and Debt Administration

At the end of fiscal year 2014, the County's Primary Government had invested $120,432,870 in a broad range of capital assets. These assets include land, site improvements, buildings, machinery, and infrastructure (See Table 6 below and Note 6 beginning on page 63).

Table 6. Liberty County's Capital Assets (millions), net of depreciation

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land	$ 7.8	$ 7.8	$ 0.2	$ 0.2	$ 8.0	$ 8.0
Construction In Progress	1.1	4.9	3.3	0.2	4.4	5.1
Site Improvements	3.3	3.4	-	-	3.3	3.4
Buildings	60.7	56.9	0.8	0.9	61.5	57.8
Machinery	3.3	4.0	0.4	0.5	3.7	4.5
Infrastructure	39.6	41.5	-	-	39.6	41.5
Totals	$ 115.8	$ 118.5	$ 4.7	$ 1.8	$ 120.5	$ 120.3

This year's most significant change occurred in the area construction in progress for both Governmental and Business-Type Activities. At the end of fiscal year 2013, the new east end community complex was completed and open for business. Additionally, continued work on the water system grows the construction in progress within the Business-Type Activities.

Liberty County also continues to work on several dirt roads throughout the county to prepare those for paving. It should be noted that the majority of the capital assets in Liberty County have been obtained through the use of Special Purpose Local Option Sales Tax (SPLOST). Additional information on the County's capital assets can be found in Note 6 beginning on page 63.

At year end, the County had a total of $37,434,802 in long-term liabilities. This is up $1,619,050 or 4.5% from prior year. The increase is due primarily to an increase obligation for post-employment benefits and net pension obligation. More information regarding the County's long-term liabilities can be found in Note 8, beginning on page 66.

Other Economic Factors

The Board of Commissioners must consider several factors when establishing the year's budget, millage rate, and various fees that are charged for program services. The Board of Commissioners is continually looking for alternative revenues sources that will alleviate the tax burden on the citizens of Liberty County. The County is constantly monitoring its expenditures, while looking for alternative revenues to help ease the tax burden on the citizens. Fiscal year 2014 marked the eighth full year of a Liberty Consolidated Planning Commission. This is a joint planning board established to help all municipalities within the County. The Board is comprised of a cross section of governmental employees and business leaders in the community and represents the County at large by working closely with the Development Authority, the municipalities, and the County to help channel and plan for the increasing growth that continues to take place in Liberty County. This separate entity is funded by the partners based upon their pro rata share of population.

Liberty County recognizes the significant impact that the 3rd infantry division plays in our overall economic model, and as such we are in constant communication with Fort Stewart and the activities and needs of our men and women of the armed services.

Contacting the County's Financial Management

This Comprehensive Annual Financial Report is designed to help citizens, taxpayers, customers, investors, and creditors evaluate the overall condition of Liberty County, Georgia and the operations thereof. Additional details can be requested by mail at the following address:

Liberty County Finance Department
100 Main Street
Suite 1510
Hinesville, GA 31313

Liberty County, Georgia
Statement of Net Position
June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total Primary Government	Liberty County Department of Public Health FYE 6/30/2014	Liberty County Regional Medical Center FYE 11/30/2013
Assets					
Current assets:					
Cash and cash equivalents	$ 29,014,624	$ 952,120	$ 29,966,744	$ 1,137,654	$ 1,618,742
Restricted cash and cash equivalents	-	-	-	-	1,458,250
Investments	265,279	-	265,279	-	-
Taxes receivable	1,759,309	-	1,759,309	-	-
Accounts receivable, net	1,330,090	534,335	1,864,425	11,087	9,290,323
Due from other governments	1,418,848	-	1,418,848	47,925	-
Inventories	-	-	-	-	651,450
Prepaid expenses	226,505	-	226,505	-	-
Internal balances	3,814,374	(3,814,374)	-	-	-
Other current assets	-	-	-	-	1,178,245
Total current assets	37,829,029	(2,327,919)	35,501,110	1,196,666	14,197,010
Noncurrent assets:					
Restricted cash and cash equivalents	-	-	-	-	4,330,126
Capital assets:					
Nondepreciable	8,886,010	3,427,506	12,313,516	-	6,177,391
Other capital assets, net	106,888,750	1,230,604	108,119,354	19,921	14,948,067
Other assets	-	-	-	-	1,474,369
Total noncurrent assets	115,774,760	4,658,110	120,432,870	19,921	26,929,953
Total assets	$ 153,603,789	$ 2,330,191	$ 155,933,980	$ 1,216,587	$ 41,126,963

-Continued-

Liberty County, Georgia
Statement of Net Position
June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total Primary Government	Liberty County Department of Public Health FYE 6/30/2014	Liberty County Regional Medical Center FYE 11/30/2013
Liabilities					
Current liabilities:					
Accounts payable	$ 1,422,284	$ 774,272	$ 2,196,556	$ 57,923	$ 2,086,597
Retainage payable	44,331	-	44,331	-	-
Due to other governments	48,076	-	48,076	47,925	-
Accrued liabilities	448,538	61,906	510,444	-	2,390,816
Customer deposits	193	42,355	42,548	-	-
Compensated absences - current	1,036,778	32,259	1,069,037	17,105	-
Notes payable - current	-	-	-	-	786,689
Capital leases payable - current	88,358	123,178	211,536	-	75,335
Bonds payable - current	959,384	-	959,384	-	1,255,000
Landfill postclosure care costs - current	-	70,411	70,411	-	-
Total current liabilities	4,047,942	1,104,381	5,152,323	122,953	6,594,437
Noncurrent liabilities:					
Compensated absences	259,195	8,065	267,260	68,421	-
Net pension obligation	942,567	-	942,567	-	-
Net OPEB obligation	8,332,579	-	8,332,579	-	-
Notes payable	-	-	-	-	3,063,651
Capital leases payable	173,214	172,137	345,351	-	83,606
Bonds payable	25,505,446	1,040,000	26,545,446	-	26,768,678
Landfill postclosure care costs	-	1,001,599	1,001,599	-	-
Total noncurrent liabilities	35,213,001	2,221,801	37,434,802	68,421	29,915,935
Total liabilities	39,260,943	3,326,182	42,587,125	191,374	36,510,372
Net Position					
Net investment in capital assets	89,048,358	3,322,795	92,371,153	19,921	(6,081,798)
Restricted for:					
Judicial	556,456	-	556,456	-	-
Public safety	1,295,044	-	1,295,044	-	-
Capital outlay	16,407,873	-	16,407,873	-	-
Other purposes	-	-	-	180,459	2,267,485
Unrestricted	7,035,115	(4,318,786)	2,716,329	824,833	8,430,904
Total net position	$ 114,342,846	$ (995,991)	$ 113,346,855	$ 1,025,213	$ 4,616,591

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
Governmental activities:					
General government	$ 10,264,204	$ 6,189,915	$ -	$ -	$ (4,074,289)
Judicial	6,973,462	364,649	1,545,455	-	(5,063,358)
Public safety	12,678,191	1,628,789	489,903	-	(10,559,499)
Public works	5,406,223	-	-	710,272	(4,695,951)
Health and welfare	935,656	48,517	95,202	-	(791,937)
Culture and recreation	2,874,961	374,960	-	-	(2,500,001)
Economic development	1,529,534	-	-	277,715	(1,251,819)
Interest on long-term debt	1,006,110	-	-	-	(1,006,110)
Total governmental activities	$ 41,668,341	$ 8,606,830	$ 2,130,560	$ 987,987	$ (29,942,964)
Business-type activities:					
Water System Fund	$ -	$ -	$ -	$ 955,601	$ 955,601
Solid Waste Fund	2,932,799	3,136,042	-	-	203,243
Revolving Loan Fund	-	-	-	-	-
Total business-type activities	2,932,799	3,136,042	-	955,601	1,158,844
Total primary government	$ 44,601,140	$ 11,742,872	$ 2,130,560	$ 1,943,588	$ (28,784,120)
Component Units:					
Liberty County Department of Public Health FYE 6/30/2014	$ 1,464,015	$ 370,149	$ 829,483	$ -	$ (264,383)
Liberty County Regional Medical Center FYE 11/30/2013	41,392,255	37,261,977	3,842,899	-	(287,379)
Total component units	$ 42,856,270	$ 37,632,126	$ 4,672,382	$ -	$ (551,762)

-Continued-

Liberty County, Georgia
Statement of Activities
June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total Primary Government	Liberty County Department of Public Health FYE 6/30/2014	Liberty County Regional Medical Center FYE 11/30/2013
Change in net position:					
Net (expense) revenue	$ (29,942,964)	$ 1,158,844	$ (28,784,120)	$ (264,383)	$ (287,379)
General revenues:					
Taxes:					
Property	16,378,085	-	16,378,085	-	-
Franchise	17,853	-	17,853	-	-
Sales	10,488,670	-	10,488,670	-	-
Hotel/motel	120,830	-	120,830	-	-
Alcoholic beverage	99,710	-	99,710	-	-
Business	1,031,281	-	1,031,281	-	-
Unrestricted investment earnings	16,899	253	17,152	-	18,505
Miscellaneous	-	1,558	1,558	-	-
Contributions and donations	-	-	-	600	-
Intra/inter agency	-	-	-	463,316	-
Transfers	(705,273)	705,273	-	-	-
Total general revenues and transfers	27,448,055	707,084	28,155,139	463,916	18,505
Change in net position	(2,494,909)	1,865,928	(628,981)	199,533	(268,874)
Net position, beginning of year, as originally restated	116,219,509	(2,861,919)	113,357,590	825,680	4,885,465
Restatement - correction of an error (Note 1)	618,246	-	618,246	-	-
Net position, beginning of year, restated for error	116,837,755	(2,861,919)	113,975,836	825,680	4,885,465
Net position, end of year	$ 114,342,846	$ (995,991)	$ 113,346,855	$ 1,025,213	$ 4,616,591

Liberty County, Georgia
Balance Sheet – Governmental Funds
June 30, 2014

	General Fund	Special Purpose Local Option Sales Tax V Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 10,587,793	$ 13,294,131	$ 5,132,700	$ 29,014,624
Investments	23,077	-	242,202	265,279
Taxes receivable	1,759,309	-	-	1,759,309
Accounts receivable, net	470,700	-	859,390	1,330,090
Prepaid items	226,505	-	-	226,505
Due from other governments	306,430	603,207	509,211	1,418,848
Due from other funds	1,301,805	-	-	1,301,805
Advances to other funds	4,030,009	-	-	4,030,009
Total assets	18,705,628	13,897,338	6,743,503	39,346,469
Liabilities				
Accounts payable	507,374	197,341	717,569	1,422,284
Retainage payable	-	8,149	36,182	44,331
Customer deposits payable	-	-	193	193
Accrued liabilities	251,676	1,948	87,411	341,035
Due to other funds	-	339,410	956,711	1,296,121
Advances due to other funds	-	-	221,319	221,319
Due to other governments	48,076	-	-	48,076
Total liabilities	807,126	546,848	2,019,385	3,373,359
Deferred Inflows of Resources				
Deferred Inflows of property taxes	1,588,558	-	-	1,588,558
Total deferred inflows of resources	1,588,558	-	-	1,588,558
Fund Balances				
Nonspendable				
Prepaid items	226,505	-	-	226,505
Advances to other funds	4,030,009	-	-	4,030,009
Restricted for:				
Judicial	-	-	556,456	556,456
Public safety	-	-	1,295,044	1,295,044
Capital outlay	-	13,350,490	3,057,383	16,407,873
Committed to:				
Judicial - information services	-	-	20,587	20,587
Assigned to:				
Public safety - jail	-	-	172,762	172,762
Capital outlay	-	-	44,889	44,889
Unassigned (deficit), reported in:				
General fund	12,053,430	-	-	12,053,430
Special revenue funds	-	-	(423,003)	(423,003)
Total fund balances	16,309,944	13,350,490	4,724,118	34,384,552
Total liabilities, deferred inflows of resources and fund balances	$ 18,705,628	$ 13,897,338	$ 6,743,503	$ 39,346,469

Liberty County, Georgia
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2014

Total governmental fund balances	$ 34,384,552
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	115,774,760
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(107,503)
Compensated absences	(1,295,973)
Net pension obligation	(942,567)
Net other post-employment benefits obligation	(8,332,579)
Capital leases payable	(261,572)
Bonds payable	(26,464,830)
Certain property tax revenues are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds.	1,588,558
Net position of governmental activities	$ 114,342,846

Liberty County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2014

	General Fund	Special Purpose Local Option Sales Tax V Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 19,391,511	$ 8,567,395	$ 120,830	$ 28,079,736
Licenses and permits	147,344	-	-	147,344
Intergovernmental	28,036	-	3,090,511	3,118,547
Charges for services	2,161,901	-	1,890,798	4,052,699
Fines and forfeitures	2,526,471	-	603,532	3,130,003
Interest income	4,158	7,552	5,189	16,899
Other revenues	729,790	22,162	524,832	1,276,784
Total revenues	24,989,211	8,597,109	6,235,692	39,822,012
Expenditures				
Current:				
General government	5,950,779	-	188,530	6,139,309
Judicial	3,944,219	-	2,211,463	6,155,682
Public safety	9,419,823	-	2,343,088	11,762,911
Public works	1,952,238	-	-	1,952,238
Health and welfare	545,000	-	202,786	747,786
Culture and recreation	350,498	-	1,719,643	2,070,141
Housing and development	785,644	-	48,332	833,976
Intergovernmental payments	-	914,929	-	914,929
Capital outlays	-	3,004,470	3,187,762	6,192,232
Debt service:				
Principal	452,260	1,022,405	139,058	1,613,723
Interest	31,175	824,832	206,541	1,062,548
Total expenditures	23,431,636	5,766,636	10,247,203	39,445,475
Excess (deficiency) of revenues over (under) expenditures	1,557,575	2,830,473	(4,011,511)	376,537
Other Financing Sources (Uses)				
Transfers from other funds	72,498	-	2,445,380	2,517,878
Transfers to other funds	(2,445,380)	-	(72,498)	(2,517,878)
Total other financing sources (uses)	(2,372,882)	-	2,372,882	-
Net change in fund balances	(815,307)	2,830,473	(1,638,629)	376,537
Fund balances, beginning (as originally stated)	17,125,251	9,901,771	6,362,747	33,389,769
Restatement - correction of an error (Note 1)	-	618,246	-	618,246
Fund balances, beginning, restated	17,125,251	10,520,017	6,362,747	34,008,015
Fund balances, end of year	$ 16,309,944	$ 13,350,490	$ 4,724,118	$ 34,384,552

Liberty 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 - total governmental funds	$	376,537
Amounts reported for governmental activities in the statement of activities are different because:		
Tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		
Deferred Inflows of property taxes		56,693
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.		
Principal payments - notes payable		247,404
Principal payments - capital leases payable		222,260
Principal payments - revenue bonds payable		1,144,058
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 the		
Accrued interest expense		64,922
Accrued compensated absences		(61,577)
Pension expense		(346,265)
Other post-employment benefits expense		(1,495,720)
Amortization of bond discount		(8,484)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of		
Capital asset purchases capitalized		2,642,178
Net book value of capital asset disposals		(354,152)
Depreciation expense		(4,982,763)
Change in net position of governmental activities	$	(2,494,909)

Liberty County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Revenues				
Taxes	$ 20,741,374	$ 20,637,614	$ 19,391,511	$ (1,246,103)
Licenses and permits	141,500	141,500	147,344	5,844
Intergovernmental	22,500	28,000	28,036	36
Charges for services	2,221,751	2,221,251	2,161,901	(59,350)
Fines and forfeitures	2,511,900	2,511,900	2,526,471	14,571
Interest income	4,600	4,600	4,158	(442)
Other revenues	753,888	753,888	729,790	(24,098)
Total revenues	26,397,513	26,298,753	24,989,211	(1,309,542)
Expenditures				
Current:				
General government				
County commission	106,216	109,216	108,602	614
Commission chairperson	25,034	25,034	22,324	2,710
Administration	514,294	511,358	472,522	38,836
Financial administration	439,439	444,474	411,700	32,774
Elections	455,347	458,459	383,792	74,667
Purchasing	463,953	-	-	-
Law	130,000	124,000	122,877	1,123
Data processing/MIS	487,594	566,401	558,262	8,139
Tax commissioner	772,261	780,191	747,833	32,358
Tax assessor	1,086,509	1,094,486	992,976	101,510
Board of equilization	19,160	19,807	19,649	158
Risk management	868,000	943,000	937,668	5,332
Building maintenance	1,143,879	1,151,185	1,072,616	78,569
Public information	11,000	11,000	8,635	2,365
General engineering	70,150	70,150	70,150	-
General administration fees	21,275	21,275	21,173	102
Total general government	6,614,111	6,330,036	5,950,779	379,257
Judicial				
Judicial administration	135,000	106,000	104,539	1,461
Superior court	55,785	55,785	52,495	3,290
Clerk of superior court	1,094,036	1,110,791	1,117,857	(7,066)
District attorney	659,362	659,362	625,634	33,728
State court	174,809	175,717	170,294	5,423
State court judge	218,685	223,165	221,278	1,887
Magistrate	414,693	416,208	391,765	24,443

-Continued-

Liberty County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Expenditures (Continued)				
Current (Continued):				
Judicial (Continued)				
Probate court	408,175	457,683	442,428	15,255
Juvenile courts	80,946	80,946	101,822	(20,876)
Public defender	2,000	-	-	-
Circuit-wide public defender	795,685	795,685	716,107	79,578
Total judicial	4,039,176	4,081,342	3,944,219	137,123
Public safety				
Sheriff	2,805,217	2,917,364	2,887,683	29,681
Criminal investigations	277,527	366,577	364,777	1,800
Drug task force	781,625	851,575	846,212	5,363
Jail	4,161,349	4,074,099	3,904,469	169,630
Traffic control	402,139	495,199	483,200	11,999
School resource officer	66,334	67,293	61,710	5,583
Fire	284,999	276,749	265,863	10,886
EMS	30,000	21,000	20,504	496
Coroner	70,380	79,730	77,853	1,877
Animal control	276,351	277,436	262,277	15,159
Emergency management	200,048	195,530	184,549	10,981
Flemington law enforcement	61,832	61,832	60,726	1,106
Total public safety	9,417,801	9,684,384	9,419,823	264,561
Public works				
Roadways and walkways	1,451,453	1,423,257	1,400,719	22,538
Maintenance shop	602,000	564,000	551,519	12,481
Total public works	2,053,453	1,987,257	1,952,238	35,019
Health and welfare				
Public health administration	289,437	289,440	289,440	-
Mosquito control	229,927	221,827	186,167	35,660
Indigent medical care	3,000	1,500	1,394	106
Invergovernmental welfare paym	17,385	17,385	17,385	-
Community services	7,500	12,500	7,002	5,498
Community service center	47,400	46,400	43,612	2,788
Total health and welfare	594,649	589,052	545,000	44,052

-Continued-

Liberty County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Expenditures (Continued)				
Current (Continued):				
Culture and recreation				
Libraries	350,498	350,498	350,498	-
Total culture and recreation	350,498	350,498	350,498	-
Economic development				
Conservation administration	10,000	10,000	10,000	-
Agricultural resources	86,049	88,517	84,198	4,319
Planning and zoning	381,774	393,050	368,578	24,472
Intergovernmental programs/ economic development	532,967	269,878	261,368	8,510
Community development	61,500	61,500	61,500	-
Total economic development	1,072,290	822,945	785,644	37,301
Total current	24,141,978	23,845,514	22,948,201	897,313
Debt service:				
Principal	317,556	312,556	452,260	(139,704)
Interest	5,238	5,238	31,175	(25,937)
Total debt service	322,794	317,794	483,435	(165,641)
Total expenditures	24,464,772	24,163,308	23,431,636	731,672
Excess (deficiency) of revenues over (under) expenditures	1,932,741	2,135,445	1,557,575	(577,870)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	72,498	72,498
Transfers to other funds	(1,942,741)	(2,145,445)	(2,445,380)	(299,935)
Total other financing sources (uses)	(1,942,741)	(2,145,445)	(2,372,882)	(227,437)
Net change in fund balances	(10,000)	(10,000)	(815,307)	(805,307)
Fund balances, beginning of year	17,125,251	17,125,251	17,125,251	-
Fund balances, end of year	$ 17,115,251	$ 17,115,251	$ 16,309,944	$ (805,307)

	Major Enterprise Funds		Nonmajor Enterprise Fund	
	Water System Fund	Solid Waste Fund	Revolving Loan Fund	Total Proprietary Funds
Assets				
Current assets:				
Cash and cash equivalents	$ 324,480	$ 567,957	$ 59,683	$ 952,120
Accounts receivable, net	-	534,335	-	534,335
Total current assets	324,480	1,102,292	59,683	1,486,455
Noncurrent assets:				
Capital assets				
Land	-	153,711	-	153,711
Construction in progress	3,273,795	-	-	3,273,795
Other capital assets, net of accumulated depreciation	-	1,230,604	-	1,230,604
Total noncurrent assets	3,273,795	1,384,315	-	4,658,110
Total assets	$ 3,598,275	$ 2,486,607	$ 59,683	$ 6,144,565

-Continued-

Liberty County, Georgia
Statement of Net Position – Proprietary Funds
June 30, 2014

	Major Enterprise Funds		Nonmajor Enterprise Fund	
	Water System Fund	Solid Waste Fund	Revolving Loan Fund	Total Proprietary Funds
Liabilities				
Current liabilities:				
Accounts payable	$ 647,226	$ 127,046	$ -	$ 774,272
Accrued expenses	-	61,906	-	61,906
Due to other funds	5,684	-	-	5,684
Customer deposits payable	20,500	21,855	-	42,355
Compensated absences - current	-	32,259	-	32,259
Capital leases payable - current	-	123,178	-	123,178
Landfill postclosure care costs	-	70,411	-	70,411
Total current liabilities	673,410	436,655	-	1,110,065
Noncurrent liabilities:				
Compensated absences	-	8,065	-	8,065
Capital leases payable	-	172,137	-	172,137
Bonds payable	1,040,000	-	-	1,040,000
Landfill postclosure care costs	-	1,001,599	-	1,001,599
Advances from other funds	-	3,808,690	-	3,808,690
Total noncurrent liabilities	1,040,000	4,990,491	-	6,030,491
Total liabilities	1,713,410	5,427,146	-	7,140,556
Net Position				
Net investment in capital assets	2,233,795	1,089,000	-	3,322,795
Unrestricted	(348,930)	(4,029,539)	59,683	(4,318,786)
Total net position	$ 1,884,865	$ (2,940,539)	$ 59,683	$ (995,991)

Liberty County, Georgia
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For the Year Ended June 30, 2014

	Major Enterprise Funds		Nonmajor Enterprise Fund	
	Water System Fund	Solid Waste Fund	Revolving Loan Fund	Total Proprietary Funds
Operating Revenues				
Charges for services	$ -	$ 3,131,806	$ -	$ 3,131,806
Miscellaneous	-	4,236	-	4,236
Total operating revenues	-	3,136,042	-	3,136,042
Operating Expenses				
Personal services	-	662,571	-	662,571
Cost of sales and service	-	1,733,499	-	1,733,499
Supplies	-	282,633	-	282,633
Depreciation	-	240,682	-	240,682
Total operating expenses	-	2,919,385	-	2,919,385
Operating income (loss)	-	216,657	-	216,657
Nonoperating Revenues (Expenses)				
Intergovernmental grants	955,601	-	-	955,601
Interest income	129	94	30	253
Interest expense	-	(13,414)	-	(13,414)
Other nonoperating income	-	1,558	-	1,558
Total nonoperating revenues (expenses)	955,730	(11,762)	30	943,998
Income (loss) before contributions	955,730	204,895	30	1,160,655
Capital Contributions	705,273	-	-	705,273
Change in net position	1,661,003	204,895	30	1,865,928
Net position, beginning of year	223,862	(3,145,434)	59,653	(2,861,919)
Net position, end of year	$ 1,884,865	$ (2,940,539)	$ 59,683	$ (995,991)

Liberty County, Georgia
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2014

	Major Enterprise Funds		Nonmajor Enterprise Fund	
	Water System Fund	Solid Waste Fund	Revolving Loan Fund	Total Proprietary Funds
Cash Flows From Operating Activities				
Cash received from customers and users	$ -	$ 3,091,302	$ -	$ 3,091,302
Cash payments to employees	-	(656,220)	-	(656,220)
Cash payments to suppliers	652,526	(1,970,271)	-	(1,317,745)
Cash flows from nonoperating activites	-	1,558	-	1,558
Net cash provided by operating activities	652,526	466,369	-	1,118,895
Cash Flows From Noncapital Financing Activities				
Net change in due to other funds	5,684			5,684
Net change in advance from general fund	-	201,816	-	201,816
Net cash provided by noncapital financing activities	5,684	201,816	-	207,500
Cash Flows From Capital and Related Financing Activities				
Proceeds from issuance of long-term debt	1,040,000	-	-	1,040,000
Proceeds from capital grant	955,601	-	-	955,601
Principal payments on capital leases payable	-	(82,120)	-	(82,120)
Interest paid	-	(13,414)	-	(13,414)
Acquisition and construction of capital assets	(2,344,609)	(38,916)	-	(2,383,525)
Net cash used in capital and related financing activities	(349,008)	(134,450)	-	(483,458)
Cash Flows From Investing Activities				
Interest received	129	94	30	253
Net cash provided by investing activities	129	94	30	253
Net increase in cash and cash equivalents	309,331	533,829	30	843,190
Cash and cash equivalents, beginning of year	15,149	34,128	59,653	108,930
Cash and cash equivalents, end of year	$ 324,480	$ 567,957	$ 59,683	$ 952,120

-Continued-

Liberty County, Georgia
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2014

	Major Enterprise Funds		Nonmajor Enterprise Fund	
	Water System Fund	Solid Waste Fund	Revolving Loan Fund	Total Proprietary Funds
Noncash investing, capital and financing activities:				
Capital assets contributed from other funds	$ 705,273	$ -	$ -	$ 705,273
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ -	$ 216,657	$ -	$ 216,657
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	240,682	-	240,682
Other nonoperating income	-	1,558	-	1,558
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(44,740)	-	(44,740)
Increase (decrease) in:				
Accounts payable	652,526	(909)	-	651,617
Accrued liabilities	-	57,756	-	57,756
Compensated absences	-	3,755	-	3,755
Postclosure liabilities	-	(8,390)	-	(8,390)
Net cash provided by operating activities	$ 652,526	$ 466,369	$ -	$ 1,118,895

Liberty County, Georgia
Statement of Net Position – Fiduciary Funds
June 30, 2014

	Total Agency Funds	Employee Retirement Plan
Assets		
Cash	$ 1,159,401	$ -
Investments, at fair value		
Certificates of deposit	238,521	-
Mutual funds	-	16,787,527
Stable value fund	-	522,237
Taxes receivable	5,913,088	-
Other receivables	32,671	-
Total assets	7,343,681	17,309,764
Liabilities		
Due to others	1,430,593	-
Uncollected taxes	5,913,088	-
Total liabilities	7,343,681	-
Net Position		
Restricted for pension benefits**	$ -	$ 17,309,764

**See Schedule of Funding Progress on page 88.

Liberty County, Georgia
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2014

	Employee Retirement Plan
Additions	
Contributions:	
Employer	$ 747,655
Employee	314,058
Total contributions	1,061,713
Investment earnings:	
Net increase in fair values of investments	2,654,131
Less: investment expenses	(39,489)
Net investment earnings	2,614,642
Total additions	3,676,355
Deductions	
Benefits	1,186,948
Total deductions	1,186,948
Change in net position	2,489,407
Net position, beginning of year	14,820,357
Net position, end of year	$ 17,309,764

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Liberty County, Georgia (the "County") was created by legislative act in 1777 and operates under a County Commissioner form of government, providing the following services as authorized by its charter: public safety, highways and streets, health and social services, culture-recreation, courts, intergovernmental programs, and general administrative services.

The County is governed by a seven-member Board of Commissioners. Six members represent a geographical district within the County, while the Chairman represents the County at large. There are additional officers elected countywide. State law pertaining to county government provides for the independent election of these county officials. The officials are all part of the County's legal entity and include the Sheriff, Tax Commissioner, State Court Judges, Magistrate Court Judge, Probate Court Judge, and Clerk of Courts. The offices of the independently elected officials are not separate from the County and are therefore reported as part of the County.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (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.

I. Reporting Entity

The financial reporting entity has been determined by management, in accordance with generally accepted accounting principles, to be Liberty County (the primary government) and its component units. A component unit is a legally separate organization for which the primary government is financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the government for financial reporting purposes, management has considered all component units.

The criteria used to determine financial accountability are the ability of the primary government to appoint a voting majority of the organization's governing body and effectively impose its will on the organization. Also, if there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, financial accountability would exist. Based upon the application of these criteria, the following is a brief review of each component unit included in the County's reporting unit as discretely presented component units.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units

Liberty County Health Department

The Liberty County Health Department (LCHD) was established pursuant to an act of the General Assembly of the State of Georgia in 1964. The LCHD is governed by a seven-member board consisting of the Liberty County Commission Chairman, the Liberty County School Superintendent, four members appointed by the Liberty County Commission, and one member appointed by the Mayor of the City of Hinesville. The Liberty County Commission has the authority to review and reject the annual budget of the LCHD. Upon approval of the LCHD's budget by the Commission, the Commission shall levy a tax sufficient to meet the LCHD's appropriations in excess of funds it expects to receive from other sources.

Separate financial statements for the LCHD can be obtained from its administrative office at Highway 84, Community Services Building, Hinesville, Georgia 31313.

Liberty Regional Medical Center

The Liberty Regional Medical Center (LRMC), a not-for-profit 50-bed acute care hospital located in Hinesville, Georgia, is owned and operated by the Hospital Authority of Liberty County (the Authority). The Authority was established pursuant to an act of the General Assembly of the State of Georgia in 1964. The Authority's board consists of seven members appointed by the Liberty County Commission. The Liberty County Commission is obligated to levy taxes sufficient to provide indigent care service through LRMC.

Separate financial statements for the Liberty Regional Medical Center can be obtained from its administrative office at 462 E. G. Miles Parkway, Hinesville, Georgia 31313. The Authority's fiscal year ends on November 30, and accordingly, the component unit financial statements for LRMC are for the year ended November 30, 2013.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Unit

The Liberty County Projects Corporation (LCPC) was established to account for the construction and ongoing maintenance of the State of Georgia Division of Family and Children Services building. The LCPC is organized pursuant to the Georgia Nonprofit Corporation Code. The objectives and purposes of the LCPC are exclusively charitable, through the lessening of the burdens of government, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future tax law. The LCPC is governed by a three-member board consisting of the Liberty County Commission Chairman, the Liberty County Administrator, and the Liberty County Planning Commission Executive Director. The LCPC is presented as a blended component unit as its primary purpose is to provide services almost entirely to the County.

Separate financial statements for the LCPC are not prepared.

II. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been removed from these statements. *Governmental activities,* which are normally 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 accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments 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 those 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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The County's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-type activities for the County. Fiduciary activities of the County are not included in these statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Accordingly, all the County's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the 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. Amounts reported as program revenues include: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function, and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities, which are normally 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Fund Financial Statements

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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 taxes, intergovernmental grants, and investment income 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:

General Fund is the principal fund of the County and is used to account for all of its activities not otherwise accounted for by a specified fund.

Special Purpose Local Option Sales Tax V Fund is a capital projects fund used to account for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for: road and drainage improvements; public safety projects; technical school projects; recreation projects; public building projects; County administration projects; debt service; and other City projects within Liberty County.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

The County reports the following major business-type funds:

The *Water System Fund* is used to account for the activity related to providing water services to citizens of the County.

The *Solid Waste Fund* accounts for the activities of the County's solid waste management operations. All activities necessary to provide such services are accounted for in this fund.

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for revenue sources that are legally restricted to expenditure for specific purposes.

Capital Project Funds are used to account for the acquisition or construction of capital facilities.

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 of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Agency Funds are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments, and ad valorem and property taxes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Cash and Investments

The County and its discretely presented component units' 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.

Statutes authorize the County and discretely presented component units to invest in obligations of the U. S. Treasury, certificates of deposit, repurchase agreements, money market accounts, and the local government investment pool of the State of Georgia (Georgia Fund 1).

Investments are stated at fair value based on published quoted market prices. The fair values of investments in external investment pools are the same as the value of the pool shares.

Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Inventories

Inventories held by the Liberty Regional Medical Center consist primarily of medical supplies and food and are valued at the lower of cost (first-in, first-out method) or market.

Prepaid Items

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.

Interfund Activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advance to/from other funds” (i.e., the noncurrent 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 and business-type activities are reported in the government-wide statement of net position 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities), the County chose to include all such items regardless of their acquisition date or amount. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life are not capitalized.

Major outlays for capital improvements are capitalized as projects as constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of assets constructed. No interest expense was capitalized during the fiscal year ending June 30, 2014.

Capital assets of the primary government and each discretely presented component unit are depreciated using the straight line method over the following useful lives:

Asset Category	Years
Primary Government:	
Buildings and improvements	10 - 50
Machinery and equipment	4 - 40
Infrastructure	20 - 50
Liberty County Health Department:	
Equipment and Vehicles	5
Liberty Regional Medical Center:	
Land improvements	15 - 20
Buildings and improvements	20 - 40
Equipment	3 - 7

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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, business-type activities, or proprietary fund type Statements of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable bond premiums or discounts. Bond issuance costs are recognized as expenses in the reporting period in which they are incurred.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (the old debt).

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

It is the County's policy to permit employees to accumulate earned, but unused, vacation and sick pay benefits. The County's policy is to permit employees to accumulate up to 30 days earned, but unused, vacation and 25% of earned, but unused, sick leave. All compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund Equity

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."

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Equity (Continued)

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

- Nonspendable – Fund balances are reported as nonspendable when 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) or (b) legally or contractually required to be maintained intact.

- Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority, the County Commission, through the adoption of a resolution. Only the County Commission may modify or rescind the commitment.

- Assigned – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted not committed. Through resolution, the County Commission has authorized the County Administrator to assign fund balances.

- Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Equity (Continued)

Net Position – Net position represents the difference between assets and liabilities in reporting, which utilizes the economic resources measurement focus. Net position classifications are as follows:

- Net investment in capital assets consists of the balance of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets.

- Restricted net position is reported using the same definition as used for restricted fund balance as described in the section above.

- All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes in which both restricted and unrestricted net position is available.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is not utilized by the County.

Management Estimates

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Operating Leases

The County leases equipment in which, after the initial lease term, the County can take possession of the equipment or purchase the property at the purchase option price, depending on the operating lease agreement. The lease term begins on the date of initial possession of the lease property for purposes of recognizing lease expense on a straight-line basis over the term of the lease. In most cases, management expects that leases will be renewed or replaced by other leases.

Prior Period Adjustments

In 2013, the Hospital Authority of Liberty County changed the accounting methodology by which bad debt recoveries are recognized for the Liberty County Regional Medical Center. The Authority estimated potential recoveries based on historical recovery percentages and included this estimate in patient accounts receivables on the balance sheet.

As a result, the effect was as follows:

	Liberty County Regional Medical Center
Net position as of November 30, 2012, as previously reported	4,374,549
Restatement for change in accounting methodology	1,215,251
Net position as of November 30, 2012, as restated for change in accounting methodology	5,589,800

	Liberty County Regional Medical Center
Net change in net position for the fiscal year ending Novemeber 30, 2012, as previously reported	1,848,465
Effect of change in accounting methodology	147,423
Net change in net position for fiscal year ending November 30, 2012, as restated for change in accounting methodology	1,995,888

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Prior Period Adjustments (Continued)

The County implemented GASB Statement No. 65*, Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognized as outflows of resources or inflow of resources, certain items previously reported as assets and liabilities. As a result, costs related to the issuance of bonds which were previously deferred have been reclassified as if they had been reported as an outflow of resources when incurred.

As a result, the effect was as follows:

	Governmental Activities	Liberty County Regional Medical Center
Net position as of November 30, 2012, as restated above for change in accounting methodolgy		5,589,800
Net position as of June 30, 2013, as previously reported	116,896,077	
Restatement for GASB 65	(676,568)	(704,305)
Net position, as restated for change in accounting methodology and for GASB 65	116,219,509	4,885,495

	Governmental Activities	Liberty County Regional Medical Center
Net change in net position for fiscal year ending November 30, 2012, as restated for change in accounting methodolgy above		1,995,888
Net change in net position for fiscal year ending June 30, 2013, as previously reported	(534,790)	
Effect of GASB 65 restatement	-	51,537
Net change in net position, as restated for change in accounting methodology and for GASB 65	(534,790)	2,047,425

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Prior Period Restatement – Correction of an Error

The County has determined that certain transactions were recorded incorrectly in a prior year.

Special Local Option Sales Tax V Fund: In the fund financial statements for the year ended June 30, 2013, capital outlay expenditures of the Special Purpose Local Option Sales Tax V Fund were overstated by $618,246 due to an over-accrual of retainage payable for certain construction projects of the County. This resulted in understatement of the net change in fund balance for the Special Purpose Local Option Sales Tax V Fund of $618,246. As a result, ending fund balance restricted for capital outlay as of June 30, 2013 was understated by $618,246.

The effect is summarized as follows:

		SPLOST V Fund
Fund balance as of June 30, 2013, as previously reported	$	9,901,771
Restatement - correction of an error		618,246
Fund balance as of June 30, 2013, as restated for correction of an error	$	10,520,017

		SPLOST V Fund
Net change in fund balance for fiscal year ending June 30, 2013, as previously reported	$	(757,614)
Effect of restatement - correction of an error		618,246
Net change in fund balance for fiscal year ending June 30, 2013, as restated for correction of an error	$	(139,368)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Prior Period Restatement – Correction of an Error (Continued)

Governmental Activities: In the Government-wide statements for the year ended June 30, 2013, governmental activities' judicial expense was overstated by $618,246 due to an over-accrual of retainage payable for certain construction projects of the County. As a result, the change in net position for governmental activities was understated by $618,246, and ending net position for Governmental Activities as of June 30, 2013 was understated by $618,246.

The effect is summarized as follows:

	Governmental Activities
Net position as of June 30, 2013 previously restated for GASB 65 above	$ 116,219,509
Restatement - correction of an error	618,246
Net position as of June 30, 2013 as restated for GASB 65 and for correction of an error	$ 116,837,755

	Governmental Activities
Net change in net position for fiscal year ending June 30, 2013, as restated for GASB 65 above	$ (534,790)
Effect of restatement - correction of an error	618,246
Net change in net position for fiscal year ending June 30, 2013, as restated for GASB 65 and for correction of an error	$ 83,456

Subsequent Events

The County has performed an evaluation of subsequent events, as defined under FASB ASC 855-10, through January 22, 2015, which is the date the financial statements were available to be issued.

In November 2014, a Special Local Option Sales Tax (SPLOST) referendum came up for vote, but failed to pass. The referendum, which would have imposed a special one percent sales tax in Liberty County over a period of six years, was projected to raise an estimated $54 million over that time for the purposes of funding the previously incurred indebtedness of the county and various other capital outlay projects, as specified in the referendum.

NOTE 2: BUDGETS AND BUDGETARY ACCOUNTING

I. Budget Process

The annual budget document is the financial plan for the operation of the County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the County's financial position.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to March 1, the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted at the County Annex to obtain taxpayer comments.

3. Prior to July 1, the budget is legally enacted through approval by the Board of Commissioners.

4. The Board of Commissioners has the authority to amend its budget. An increase in appropriation in any fund or department, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the Board of Commissioners. Transfers of appropriations in any fund among the various accounts within a department shall require only the approval of the budget officer.

Formal budgetary integration is employed as a measurement control device during the year for the General Fund and certain special revenue funds, including the E911 System Fund, Victim Witness Assistance Fund, Juvenile Services Fund, Multiple Grant Fund, Child Support Recovery Fund, Recreation Fund, Records Service Center Fund, and Hotel/Motel Fund. Budgets were not adopted for the Liberty County Projects Corporation Fund, Law Library Fund, Confiscated Asset Fund, Jail Fund, DARE Fund, Jail Inmate Commissary Fund, and Technology Fund.

The budget for the General Fund and the Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) and are presented in accordance with finance-related legal and contractual provisions.

NOTE 2: BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

I. Budget Process (Continued)

Budgeted amounts are as originally adopted on July 1, or as amended by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations.

The County Finance Director is delegated the authority to transfer funds from one budget line-item to another within a department, provided the line-items are within the same budgetary category and departmental division. No increase in the overall budget can be made without the approval of the Board of Commissioners and amendment to the budget.

The General Fund is subject to budgetary control at the department level. The Special Revenue Funds are subject to budgetary control on an individual fund basis.

II. Capital Projects Budget

The construction of certain major capital facilities and improvements, which are accounted for by the County in the Capital Projects Funds, are subject to budgetary control on a project basis. The budgets are approved by the Board of Commissioners and are generally subject to specific provisions of voter referendums, State statutes, and/or grant agreements. Appropriations for a specific project do not lapse until completion of the project.

III. Excess of Expenditures Over Appropriations in the General Fund

The following General Fund departments incurred actual expenditures in excess of budgeted amounts for the year ended June 30, 2014:

Department	Excess of Expenditures Over Budgeted Amounts
Clerk of superior court	$ 7,066
Juvenile courts	20,876

The excess of actual expenditures over appropriations was funded by available fund balance of the General Fund.

NOTE 2: BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

IV. Excess of Expenditures Over Appropriations in Individual Funds

The following funds incurred actual expenditures in excess of budgeted amounts for the year ended June 30, 2014:

Fund	Excess of Expenditures Over Budgeted Amounts
Special Revenue - Multiple Grant Fund	$ 192,305

NOTE 3: DEPOSITS AND INVESTMENTS

Total deposits and investments for the County as of June 30, 2014 are summarized as follows:

Primary government:	
Cash and cash equivalents	$ 29,966,744
Certificates of deposit	265,279
Fiduciary funds:	
Cash and cash equivalents	1,159,401
Investments	
Certificates of deposit	238,521
Mutual Funds	16,787,527
Stable value Fund	522,237
Total	$ 48,939,709

Cash and cash equivalents:	
Cash deposited with financial institutions	$ 31,126,145
Investments:	
Certificates of deposits held with financial institutions	503,800
Mutual funds	16,787,527
Stable value fund	522,237
Total	$ 48,939,709

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Fair values, maturities and credit quality ratings of the County's investments at June 30, 2014 were:

Investment	Maturities	Morningstar Rating	Fair Value	
Mutual funds	N/A	Unrated	$ 1,654,924	
	N/A	1	-	
	N/A	2	1,425,336	
	N/A	3	7,292,752	
	N/A	4	6,414,515	
				16,787,527
Stable value fund	N/A	Unrated		522,237
Certificates of deposit	6mo. weighted average	N/A		503,800
				$ 17,813,564

Total deposits for the Liberty County Health Department as of June 30, 2014 were as follows:

Cash and cash equivalents deposited with financial institutions	$ 1,137,654

Total deposits for the Liberty Regional Medical Center as of November 30, 2013 were as follows:

Cash and cash equivalents	$ 1,618,742
Restricted cash and cash equivalents	5,788,376
Total cash deposited with financial institutions	$ 7,407,118

Custodial Credit Risk – Cash and Cash Equivalents

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments of public funds (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, countries, or municipalities. As of June 30, 2014, neither the County, nor the Liberty County Health Department had any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements. The Liberty Regional Medical Center had approximately $620,000 of unsecured cash as of its year ended November 30, 2013. However, subsequent to its year end, LRMC secured adequate pledged collateral. The County does not have a formal custodial credit risk policy.

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

State statues authorize the County to invest in obligations of the State of Georgia or other states; obligations issues by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Interest Rate Risk

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

Custodial Credit Risk – Investments

Custodial credit risk for investments 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. State statutes require all investments of public funds (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

NOTE 4: RECEIVABLES

I. Property Tax

The County bills and collects its own property taxes, as well as the taxes for the Liberty County Board of Education, the Hospital Authority of Liberty County, the Liberty County Development Authority and the various municipalities within the County. Collection and remittance of property taxes to the appropriate fund or government are accounted for in the Tax Commissioner Agency Fund. County property tax revenues are recognized to the extent that they result in current receivables.

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property, including motor vehicles, are valued as of January 1st each year. Property tax returns must be filed by April 1st. Upon completion of all assessments and tax returns, the information is turned over to the Liberty County Tax Commissioner for completion of the tax digest, which must be submitted to the State Revenue Commissioner for approval. Following approval, the Liberty County Tax Commissioner distributes tax notices and collects tax payments.

Each year, property taxes are levied in December based on values as of the preceding January 1st, the date which the property taxes also attach as an enforceable lien on property. Taxes are due the following February, and are considered delinquent if unpaid by the due date. Liens may be enforced on property for unpaid delinquent taxes.

The tax billing cycle for fiscal year 2014 was as follows:

Lien date	January 1, 2013
Levy date	December 3, 2014
Payment due date	February 20, 2014
Delinquency date	February 21, 2014
Collection dates	December 20, 2013 - Feburary 20, 2014

NOTE 4: RECEIVABLES (CONTINUED)

II. Receivables

Receivables as of June 30, 2014 for the government's individual major funds and aggregate nonmajor funds, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Special Purpose Local Option Sales Tax V	Nonmajor Governmental Funds	Solid Waste Fund	Total
Receivables					
Taxes	$ 1,759,309	$ -	$ -	$ -	$ 1,759,309
Special assessments	-	-	-	658,186	658,186
Accounts	1,518,934	-	859,390	300,206	2,678,530
Due from other governments	306,430	603,207	509,211	-	1,418,848
Gross receivables	3,584,673	603,207	1,368,601	958,392	6,514,873
Less allowance for uncollectibles	(1,048,234)	-	-	(424,057)	(1,472,291)
Total net receivable	$ 2,536,439	$ 603,207	$ 1,368,601	$ 534,335	$ 5,042,582

NOTE 5: INTERFUND ACTIVITY

I. Interfund Balances

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund balances between funds are eliminated in the Statement of Net Position.

NOTE 5: INTERFUND ACTIVITY (CONTINUED)

I. Interfund Balances (Continued)

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

	Due From			
Due to	Special Purpose Local Option Sales Tax V	Nonmajor Governmental Funds	Water System Fund	Total
General fund	$ 339,410	$ 956,711	$ 5,684	$ 1,301,805

	Advance To		
Advance from	Nonmajor Governmental Funds	Solid Waste Fund	Total
General fund	$ 221,319	$ 3,808,690	$ 4,030,009

II. Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated. Interfund transfers for the year ended June 30, 2014 consisted of the following:

	Transfer To		
Transfer from	General Fund	Nonmajor Governmental Funds	Total
General fund	$ -	$ 2,445,380	$ 2,445,380
Nonmajor governmental funds	72,498	-	$ 72,498
Total	$ 72,498	$ 2,445,380	$ 2,517,878

NOTE 6: CAPITAL ASSETS - PRIMARY GOVERNMENT

A summary of governmental activities' capital asset activity for fiscal year end June 30, 2014 follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Nondepreciable capital assets					
Land	$ 7,803,371	$ 7,209	$ -	$ -	$ 7,810,580
Construction in progress	4,923,351	2,152,229	-	(6,000,150)	1,075,430
Total nondepreciable capital assets	12,726,722	2,159,438	-	(6,000,150)	8,886,010
Depreciable capital assets					
Site improvements	3,454,208	-	-	-	3,454,208
Buildings	65,930,803	-	-	5,980,794	71,911,597
Machinery and equipment	14,049,523	482,740	(813,756)	18,031	13,736,538
Infrastructure	70,265,590	-	-	19,356	70,284,946
Total depreciable capital assets at cost	153,700,124	482,740	(813,756)	6,018,181	159,387,289
Less accumulated depreciation:					
Site improvements	(22,264)	(178,086)	-	-	(200,350)
Buildings	(9,099,726)	(2,057,106)	-	(42,573)	(11,199,405)
Machinery and equipment	(10,045,567)	(852,596)	459,604	(18,031)	(10,456,590)
Infrastructure	(28,789,792)	(1,894,975)	-	42,573	(30,642,194)
Total accumulated depreciation	(47,957,349)	(4,982,763)	459,604	(18,031)	(52,498,539)
Depreciable capital assets, net	105,742,775	(4,500,023)	(354,152)	6,000,150	106,888,750
Governmental activities capital assets, net	$ 118,469,497	$ (2,340,585)	$ (354,152)	$ -	$ 115,774,760

Governmental activities depreciation expense was charged to functions as follows:

General government	$ 497,356
Judicial	819,729
Public safety	1,078,455
Public works	1,643,851
Health and welfare	175,847
Culture and recreation	266,305
Economic development	501,220
Total governmental activities depreciation expense	$ 4,982,763

NOTE 6: CAPITAL ASSETS - PRIMARY GOVERNMENT (CONTINUED)

A summary of business-type activities' capital asset activity for the year ended June 30, 2014 follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Nondepreciable capital assets					
Land	$ 153,711	$ -	$ -	$ -	$ 153,711
Construction in progress	223,913	3,049,882	-	-	3,273,795
Total nondepreciable capital assets	377,624	3,049,882	-	-	3,427,506
Depreciable capital assets					
Landfill	316,505	-	-	-	316,505
Buildings and improvements	2,601,686	5,000	-	-	2,606,686
Machinery and equipment	2,285,343	33,916	(170,341)	(18,031)	2,130,887
Total depreciable capital assets at cost	5,203,534	38,916	(170,341)	(18,031)	5,054,078
Less accumulated depreciation:					
Landfill	(316,505)	-	-	-	(316,505)
Buildings and improvements	(1,705,669)	(135,133)	-	-	(1,840,802)
Machinery and equipment	(1,748,990)	(105,549)	170,341	18,031	(1,666,167)
Total accumulated depreciation	(3,771,164)	(240,682)	170,341	18,031	(3,823,474)
Depreciable capital assets, net	1,432,370	(201,766)	-	-	1,230,604
Business-type activities capital assets, net	$ 1,809,994	$ 2,848,116	$ -	$ -	$ 4,658,110

Depreciation expense of $240,682 for the business-type activities was charged to the Solid Waste Fund.

NOTE 7: CAPITAL ASSETS - DISCRETELY PRESENTED COMPONENT UNITS

The following is a summary of the capital asset activity of the Liberty County Department of Public Health for the year ended June 30, 2014:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Equipment and vehicles	330,662	19,671	-	-	350,333
Less accumulated depreciation	(321,276)	(9,136)	-	-	(330,412)
Total capital assets, net	$ 9,386	$ 10,535	$ -	$ -	$ 19,921

Capital asset activity of the Liberty County Regional Medical Center for its year ended November 30, 2013 is summarized as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Nondepreciable capital assets					
Land	$ 2,330,246	$ -	$ -	$ -	$ 2,330,246
Construction in progress	1,502,273	2,344,872	-	-	3,847,145
Total nondepreciable capital asset	3,832,519	2,344,872	-	-	6,177,391
Depreciable capital assets					
Buildings and improvements	21,324,037	7,303,179	-	-	28,627,216
Machinery and equipment	9,591,048	336,631	-	-	9,927,679
Total depreciable capital assets at cost	30,915,085	7,639,810	-	-	38,554,895
Less accumulated depreciation:					
Buildings and improvements	(13,873,952)	(1,126,030)	-	-	(14,999,982)
Machinery and equipment	(7,993,189)	(613,657)	-	-	(8,606,846)
Total accumulated depreciation	(21,867,141)	(1,739,687)	-	-	(23,606,828)
Depreciable capital assets, net	9,047,944	5,900,123	-	-	14,948,067
Total capital assets, net	$ 12,880,463	$ 8,244,995	$ -	$ -	$ 21,125,458

NOTE 8: LONG-TERM DEBT - PRIMARY GOVERNMENT

I. Changes in Long-term Liabilities

The following is a summary of long-term debt activity for the year ended June 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds payable	$ 27,726,818	$ -	$ (1,144,058)	$ 26,582,760	$ 959,384
Unamortized discount	(126,414)	-	8,484	(117,930)	-
Revenue bonds payable	27,600,404	-	(1,135,574)	26,464,830	959,384
Compensated absences	1,234,396	805,377	(743,800)	1,295,973	1,036,778
Net pension obligation	596,302	1,187,580	(841,315)	942,567	-
Net OPEB obligation	6,836,859	1,820,945	(325,225)	8,332,579	-
Notes payable	247,404	-	(247,404)	-	-
Capital leases payable	483,832	-	(222,260)	261,572	88,358
Governmental activities long-term liabilities	$ 36,999,197	$ 3,813,902	$ (3,515,578)	$ 37,297,521	$ 2,084,520
Business-type activities:					
Compensated absences	$ 36,569	$ 24,942	$ (21,187)	$ 40,324	$ 32,259
Capital leases payable	377,435	-	(82,120)	295,315	123,178
Revenue bonds payable	-	1,040,000	-	1,040,000	-
Landfill postclosure care	1,080,400	62,021	(70,411)	1,072,010	70,411
Business-type activities long-term liabilities	$ 1,494,404	$ 1,126,963	$ (173,718)	$ 2,447,649	$ 225,848

Compensated absences are liquidated through disbursements from the General Fund.

NOTE 8: LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

II. Revenue Bonds

The following is a listing of governmental activities' revenue bonds at June 30, 2014:

Public Facility Authority Revenue Bonds, Series 2008A, maturing in installments of $140,000 in 2015 to $260,000 in 2029 each January 1. The bonds bear interest per annum of 3.75% to 5.00%. The certificates are secured by a pledge of revenue.	$ 2,880,000
Public Facility Authority Revenue Bonds, Series 2008B, maturing in installments of $25,000 in 2015 to $100,000 in 2030 each January 1. The bonds bear interest per annum of 6.00%. The certificates are secured by a pledge of revenue.	1,390,000
Public Facility Authority Revenue Bonds, Series 2009, maturing in installments of $635,000 in 2015 to $1,570,000 in 2029 each June 1. The bonds bear interest per annum of 3.00% to 4.375%. The certificates are secured by a pledge of revenue.	17,860,000
Liberty County Projects Corporation Revenue Bonds, Series 2011, with principal and interest payments of $31,418 due monthly through April 2032. The certificates bear interest rates of 4.00%. The certificates are secured by a pledge of revenue.	4,452,760
Total governmental activities revenue bonds payable	26,582,760
Less current portion	(959,384)
Governmental activities revenue bonds payable, net of current portion	$ 25,623,376

NOTE 8: LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

II. Revenue Bonds (Continued)

The following is a listing of business-type activities' bonds payable at June 30, 2014:

Liberty County Water Revenue Bond, Series 2013, with principal and interest payments of $3,536 due monthly beginning in January 2016 payable through Deecmber 2053. The certificates bear interest rates of 2.50%. The certificates are secured by a pledge of revenue and a statutory lien on the County's water system.	1,040,000
Less current portion	-
Business-type activities revenue bonds payable, net of current portion	$ 1,040,000

During the year ended June 20, 2009, the County issued bonds through the Public Facilities Authority of Liberty County, Georgia in the amount of $5,000,000. The Series 2008A Public Facility Authority, Revenue Bonds bear interest of 3.75% to 5.00% with final maturity in 2029. The Series 2008B Public Facility Authority, Revenue Bonds bear interest of 6.00% with final maturity in 2039. Proceeds of the bonds were used to 1) refinance the cost of construction related to the Wright Army Airfield; and 2) pay the costs of issuing the bonds.

Pursuant to the bond issue, the County entered into an intergovernmental agreement contract with the Public Facilities Authority of Liberty County, Georgia whereby the County has an unconditional obligation to provide sufficient funds for the debt service payments and related paying agent or bond register fees. The County is authorized to exercise its powers of taxation to the extent necessary to pay the amounts required by the contract.

During the year ended June 30, 2009, the County issued bonds through the Public Facilities Authority of Liberty County, Georgia in the amount of $20,785,000. The Series 2009 Public Facility Authority, Revenue Bonds bear interest of 3.00 to 4.375% with final maturity in 2029. Proceeds of the bonds were used for the purpose of financing 1) all or a portion of the cost of acquisition, construction, development and equipping of various capital outlay projects located within the County; and 2) to pay the costs of issuance of the bonds. The bonds are limited obligations of the Public Facilities Authority, payable solely from payments to be made by the County pursuant to an intergovernmental contract between the Public Facility Authority and the County.

NOTE 8: LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

II. Revenue Bonds (Continued)

The County's obligation under the contract, to make payments to the Public Facilities Authority at times and in amounts sufficient to enable the Public Facilities Authority to pay the principal and interest on the bonds, is absolute and unconditional and is secured by a pledge of the County's full faith and credit and taxing powers and will not expire so long as any of the bonds remain outstanding and unpaid. The County intends to make its payments under the contract from its portion of the revenues generated by a one percent special local option sales and use tax (the 'SPLOST'); however, the County's portion of the revenues from the SPLOST are not pledged to such payments or to secure the payment of the bonds.

During the year ended June 30, 2011, the County issued tax-exempt Revenue Bonds, Series 2011, through the Liberty County Projects Corporation of Liberty County, Georgia in the amount of $4,772,039. The bonds bear interest at 4.00% with final maturity in 2032. Proceeds from the bonds were used for construction of a building and to pay certain costs incurred in connection with the execution and delivery of the bonds. The bonds are limited obligations of the County and are payable solely from the rent received on the buildings.

During the year ended June 30, 2014, the County issued Liberty County Water Revenue Bond, Series 2013, through the United States Department of Agriculture in the amount of $1,040,000. The bonds bear interest at 2.50% with final maturity in 2053. Proceeds from the bonds are being used for construction and improvements of the County's water system. The bonds are secured by a pledge of revenue and a statutory lien on the County's water system.

NOTE 8: LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

II. Revenue Bonds (Continued)

The debt service requirements to maturity for the County's governmental activities' revenue bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	$ 959,384	$ 1,119,740	$ 2,079,124
2016	1,306,909	1,086,415	$ 2,393,324
2017	1,355,969	1,040,955	$ 2,396,924
2018	1,404,913	992,961	$ 2,397,874
2019	1,454,311	941,487	2,395,798
2020-2024	8,189,206	3,797,347	11,986,553
2025-2029	10,122,594	1,869,050	11,991,644
2030-2034	1,339,474	273,242	1,612,716
2035-2039	450,000	84,000	534,000
	$ 26,582,760	$ 11,205,197	37,787,957

The debt service requirements to maturity for the County's business-type activities' revenue bonds payable are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	$ -	$ -	$ -
2016	8,259	12,957	21,216
2017	16,830	25,602	42,432
2018	17,256	25,176	42,432
2019	17,692	24,740	42,432
2020-2024	95,404	116,756	212,160
2025-2029	108,093	104,067	212,160
2030-2034	122,469	89,691	212,160
2035-2039	138,758	73,402	212,160
2040-2044	157,213	54,947	212,160
2045-2049	178,122	34,038	212,160
2050-2054	179,904	11,040	190,944
	$ 1,040,000	$ 572,416	$ 1,612,416

NOTE 8: LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

IV. Capital Leases Payable

The County has entered into lease agreements as lessee for financing the acquisition of certain equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inceptions. The following is an analysis of leased assets under capital leases as of June 30, 2014:

	Governmental Activites	Business-Type Interest
Equipment under capital lease	$ 428,489	$ 471,489
Less accumulated depreciation	(186,712)	(129,303)
Equipment under capital lease, net	$ 241,777	$ 342,186
Current year amortization expense	$ 85,698	$ 94,298

The following is a schedule of future minimum lease payments together with the present value of net minimum lease payments as of June 30, 2013:

Year Ended June 30,	Governmental Activites	Business-Type Interest
2015	$ 98,402	$ 137,421
2016	82,235	78,867
2017	66,399	78,867
2018	33,805	21,951
2019	-	-
Total minimum lease payments	280,841	317,106
Less amounts representing interest	(19,269)	(21,791)
Present value of future minimum lease payments	$ 261,572	$ 295,315

NOTE 8: LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

V. Landfill Postclosure Care

Effective October 1998, the Liberty County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the sites for a minimum of 30 years. Engineering studies estimate postclosure costs of approximately $1,072,010 over the remaining 14 year period. These costs are based on what it would cost to perform all postclosure care in 2014, adjusted annually for inflation, and are accounted for as a liability in the Solid Waste fund on the Statement of Net Position. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 9: LONG-TERM DEBT - DISCRETELY PRESENTED COMPONENT UNITS

I. Changes in Long-term Liabilities

The following is a summary of the long-term debt activity for the Liberty County Health Department for the year ended June 30, 2014.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 88,008	$ 15,120	$ (17,602)	$ 85,526	$ 17,105

The following is a summary of the long-term debt activity for Liberty Regional Medical Center for the year ended November 30, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	$ 3,596,830	$ 4,335,774	$ (4,082,264)	$ 3,850,340	$ 786,689
Capital leases payable	476,672	-	(317,731)	158,941	75,335
Revenue bonds payable	14,805,000	13,720,000	(915,000)	27,610,000	1,255,000
Total	18,878,502	18,055,774	(5,314,995)	31,619,281	2,117,024
Plus unamortized premium	336,678	120,730	(43,730)	413,678	-
Total long-term liabilties	$ 19,215,180	$ 18,176,504	$ (5,358,725)	$ 32,032,959	$ 2,117,024

NOTE 9: LONG-TERM DEBT - DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

II. Debt Repayment – Liberty Regional Medical Center

Scheduled principal and interest repayments on long-term debt and capital lease obligations are as follows:

Year Ended Novemeber 30,	Principal	Interest	Obligations Under Capital Lease
2014	$ 2,041,689	$ 1,356,809	$ 82,219
2015	1,620,773	1,296,964	54,991
2016	1,683,012	1,246,078	32,498
2017	1,740,717	1,192,808	-
2018	1,796,687	1,131,894	-
2019-2023	8,997,462	3,757,231	-
2024-2028	7,165,000	1,721,800	-
2029-2033	6,415,000	488,100	-
	$ 31,460,340	$ 12,191,684	169,708
Less amount representing interest on obligations under capital lease			(10,767)
			$ 158,941

NOTE 9: LONG-TERM DEBT - DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

III. Revenue Certificates – Liberty Regional Medical Center

The following is a listing of the Revenue Certificates payable at November 30, 2013:

Revenue Certificates, Series 1998, maturing in installments of $205,000 in 2014 to $270,000 in 2020 each May 1. The certificates bear interest per annum of 4.86%. The certificates are secured by the net revenues of the Authority.	$ 1,655,000
Revenue Certificates, Series 2004, maturing in installments of $165,000 in 2014 to $250,000 in 2024 each May 1. The certificates bear interest per annum of 4.40%. The certificates are secured by the net revenues of the Authority.	2,250,000
Revenue Certificates, Series 2005, maturing in installments of $585,000 in 2014 to $1,005,000 in 2026 each August 1. The certificates bear interest rates per annum of 4.00% to 5.00%. The certificates are secured by the net revenues of the Authority.	9,985,000
Revenue Certificates, Series 2012, maturing in installments of $300,000 in 2014 to $1,535,000 in 2029 each August 1. The certificates bear interest rates per annum of 1.70% to 3.00%. The certificates are secured by the net revenues of the Authority.	8,840,000
Revenue Certificates, Series 2013, maturing in installments of $1,580,000 in 2030 to $1,675,000 in 2032 each August 1. The certificates bear interest rates of 3.00% to 5.00%. The certificates are secured by the net revenues of the Authority.	4,880,000
Total revenue certificates	27,610,000
Plus unamortized premium	413,678
Less current portion	(1,255,000)
Revenue certificates, net of current portion	$ 26,768,678

In November 1998, the Authority issued Revenue Anticipation Certificates, Series 1998. The Series 1998 Certificates were issued by the Authority for the purpose of (i) providing funds needed to pay the cost in whole or in part of acquiring, constructing, and equipping a nursing home facility in unincorporated Long County, Georgia (Project), (ii) fully funding a debt service reserve for the Certificate, (iii) and paying the cost of issuance of the 1998 Certificates.

NOTE 9: LONG-TERM DEBT - DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

III. Revenue Certificates – Liberty Regional Medical Center (Continued)

The Series 1998 Certificates are secured by a lien on the net revenues to be derived from the Authority's ownership and operation of the Project remaining after payment of the reasonable and necessary expenses of operating, maintaining and repairing the Project.

The certificates are additionally secured by a contract (Contract) between Long County and the Authority, dated as of October 6, 1998, under which Long County is obligated to make payments to the Authority, if necessary, for the purpose, among others, of paying the principal of and interest on the Certificate. Such payments by Long County shall be considered necessary if for any reason the net revenues of the Project are insufficient for payment of the Certificate. Pursuant to the Contract, said payments will be made by Long County out of the general funds of Long County or out of revenue realized for such purpose from ad valorem tax to be levied in an amount not exceeding the limits prescribed by the Hospital Authorities Law.

The Series 1998 Certificates, maturing on May 1, 2020, may be redeemed at the option of the Authority in whole or in part at any time prior to May 1, 2010 upon payment by the Authority of the Breakage Fee, if any, pursuant to the Breakage Compensation Agreement described in the Resolution. On May 1, 2010 and thereafter, this Certificate may be redeemed in whole or in part at the option of the Authority without penalty.

In April 2004, the Authority issued Revenue Anticipation Certificates, Series 2004. The Series 2004 Certificates were issued on a parity with the Series 1998 Certificates. The Series 2004 Certificates were issued by the Authority for the purpose of constructing a 42-bed Alzheimer's Unit addition to the nursing home facility owned by the Authority in unincorporated Long County, Georgia.

In September 2005, the Authority issued Revenue Anticipation Certificates, Series 2005. The Series 2005 Certificates were issued to refund a portion of the outstanding Series 1996 Revenue Anticipation Certificates. The Authority used the net proceeds to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the Series 1996 Certificates. As a result, that portion of the Series 1996 Certificates is considered defeased, and the Authority has removed the liability from its accounts. At November 30, 2007, the outstanding principal of the defeased bonds was paid off.

NOTE 9: LONG-TERM DEBT - DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

III. Revenue Certificates – Liberty Regional Medical Center (Continued)

The Series 2005 Certificates are secured by a lien on the net revenues to be derived from the Authority's ownership and operation of the Hospital. The Certificates are additionally secured by a contract between Liberty County and the Authority, dated August 1, 2005, under which Liberty County is obligated to make payments to the Authority sufficient of an amount to pay the principal of and interest on the Certificates, to the extent net revenues of the Hospital pledged to such payment are insufficient for such purposes. Liberty County is obligated under the contract to levy an annual ad valorem tax of an amount not exceeding the limits prescribed by the Hospital Authorities Law.

In February 2013, the Authority issued Revenue Anticipation Certificates, Series 2012 and 2013. The Series 2012 and 2013 Certificates were issued to provide funds necessary to finance a portion of the cost of renovation, construction and expansion of the existing service area of the Hospital, and pay the fees and expenses incurred in connection with the issuance of the Series 2012 and 2013 Certificates, including funding the Debt Service Reserve requirement.

The Series 2012 and 2013 Certificates are secured by a lien on the net revenues derived by the Authority from the ownership of the Hospital. The Certificates are additionally secured by a contract (Contract), dated as of the issuance of the Certificates, under which Long County is obligated to make payments to the Authority, if necessary, sufficient to pay the principal of and interest on the Series 2012 and 2013 Certificates as the same become due and payable, to the extent the revenues of the Hospital pledged to such payment are insufficient for such purposes. Pursuant to the Contract, the County is obligated to levy an annual ad valorem tax on all taxable property located within the territorial limits of the County at a rate not exceeding the Hospital Authorities Law of Georgia, as may be necessary to produce in each year revenues which are sufficient to fulfill the County's obligations under the Contract.

Under the terms of the Series 1998, 2004, 2005, 2012 and 2013 Certificates, the Authority is required to maintain certain deposits with a trustee. Such deposits are included with current and noncurrent cash and cash equivalents under indenture agreement. The Certificates also have certain reporting requirements. Management believes the Authority is in compliance with Certificate requirements.

NOTE 9: LONG-TERM DEBT - DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

IV. Notes Payable – Liberty Regional Medical Center

The following is a listing of the notes payable at November 30, 2013:

3.25% line of credit, due January 2014, collateralized by accounts receivable with maximum principal available of $262,600.	$	18,556
3.75% note payable due January 2019, collateralized by accounts receivable and building and equipment.		1,268,436
3.75% note payable due November 2018, collateralized by building and equipment and life insurance policy.		2,063,348
Prime rate plus 0.50% line of credit, due November 2014, collateralized by accounts receivable, building, and equipment with maximum principal available of $500,000.		500,000
Total notes payable		3,850,340
Less current portion		-
Notes payable, net of current portion	$	3,850,340

V. Capital Leases – Liberty Regional Medical Center

The following is a listing of the capital leases payable at November 30, 2013:

Capital lease obligation, at imputed interest rate of 7.775%, collateralized by leased equipment that is fully amortized.	$	14,655
Capital lease obligation, at imputed interest rate of 5.50%, collateralized by leased equipment with amortized cost of $116,968.		120,651
Capital lease obligation, at imputed interest rate of 7.87%, collateralized by leased equipment with amortized cost of $40,703.		23,635
Total capital leases		158,941
Less current portion		-
Capital leases payable, net of current portion	$	158,941

NOTE 10: RESTRICTIONS OF FUND BALANCES

The composition of the restricted fund balance amounts in the governmental fund financial statements is as follows:

Restricted by enabling legislation for:			
Judicial			
Law Library	62,629		
Grants	49,172		
Child support enforcement	444,655	$	556,456
Public safety			
Sheriff	32,428		
Jail	144,225		
DARE program	40,728		
E-911	386,932		
Victims witness assistance program	690,616		
Juvenile services	115		1,295,044
Fund balance otherwise restricted for:			
Capital Outlay - Special Purpose Local Option Sales Tax projects			16,407,873
		$	18,259,373

NOTE 11: DEFINED BENEFIT PENSION PLAN

Plan Description

The Liberty County Retirement Plan (the Plan) is a single employer defined benefit pension plan administered by Transamerica Asset Management Companies. The Plan, which covers all full-time employees, provides retirement, disability, and death benefits to plan members and beneficiaries. Local ordinance provides the authority to establish and amend benefit provisions. The account and financial reporting functions are handled by the County finance department. The Plan's activity is reported within the County's Comprehensive Annual Financial Report as a Pension Trust Fund. The Plan does not issue a separate report.

Summary of Significant Accounting Policies

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The County's contributions are recognized when due and a normal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investment income is recognized as earned by the Plan. All Plan investments are reported at fair value. Securities traded on a national exchange are valued on the County's balance sheet at the last reported sales price. Securities without an established market value are reported at estimated fair value.

NOTE 11: DEFINED BENEFIT PENSION PLAN (CONTINUED)

As of the most recent valuation date, July 1, 2013, the funded status of the plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UUAL as a Percentage of Covered Payroll (b-a)/c
7/1/2013	$ 15,212,866	$ 25,110,385	$ 9,897,519	0.61	$ 12,653,727	78.2%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of the plan net position is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2013.

Participant Data

At July 1, 2013, the date of the most recent actuarial valuation, there were 475 participants as follows:

Active participants	345
Retirees and beneficiaries	84
Vested terminated	46
	475

Funding Policy

The County is required to contribute an actuarially determined amount annually to The Plan's trust. The annual contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in the State of Georgia statutes. Plan members are required to contribute 2.5% of their annual covered salary. The County is required to contribute at an actuarially determined rate.

NOTE 11: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost and Net Pension Obligation

The County's annual pension cost was as follows:

	2013	2014
Annual required contribution	$ 1,127,281	$ 1,189,935
Interest on net pension obligation	(5,409)	(2,355)
Annual pension cost	$ 1,121,872	$ 1,187,580

The County's net pension obligation for the pension plan for the current year was as follows:

Annual pension cost	$ 1,187,580
Actual contributions to Plan	841,315
Increase in net pension obligation	346,265
Net pension obligation, beginning	596,302
Net pension obligation, ending	$ 942,567

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	$ 786,172	$ 877,032	111.6%	$ (1,914)
6/30/2010	808,323	775,309	95.9%	31,100
6/30/2011	955,234	788,307	82.5%	198,027
6/30/2012	1,083,269	790,250	73.0%	491,046
6/30/2013	1,121,872	1,016,616	90.6%	596,302
6/30/2014	1,187,580	841,315	70.8%	942,567

NOTE 11: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Valuation Information

Current valuation date	July 1, 2013
Actuarial cost method	Entry Age Normal with Frozen Initial Liability Modication
Actuarial asset valuation method	Five year average fair market value
Amortization method	Level percent of payroll (open)
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	8.5%, compounded annually
Projected salary increases	3%, compounded annually
Expected annual inflation	4.0%

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The County maintains a single employer post-employment defined benefit plan which was required by GASB 45 and implemented prospectively, The Liberty County Other Post-Employment Benefits Plan ("the OPEB Plan"). Employees hired prior to April 7, 2009 are eligible to retire and continue medical coverage if they retire with benefits under the County's Retirement Plan either (1) upon reaching at least age 62 with 10 years of service, (2) as a disability retirement (at least age 50 with 10 years of service and permanent and total disability), or (3) with unreduced benefits commencing on or after age 55 until the rule of 80. Retiree coverage is provided for the lifetime of the participant. Upon death of an eligible retiree with a covered dependent, the surviving dependent may extend coverage for up to 36 months at the COBRA rate. Separate publicly available financial statements are not issued for the OPEB Plan.

The General Fund pays the total monthly cost of the post-retirement coverage. The single coverage rates in effect at ended June 30, 2014 were $ $493.19 per month for health insurance and $6.40 per months for life insurance, independent of which plan is elected (HMO or PPO) and independent of whether single or family coverage is elected. The insurance premiums are paid by the County on a pay-as-you-go basis. The cost to the County for the health care and life insurance premiums in a fiscal year 2014 was $300,121 and $3,131, respectively, for 50 retirees.

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

As of the most recent valuation date, July 1, 2013, the funded status of the plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UUAL as a Percentage of Covered Payroll (b-a)/c
7/1/2013	$ -	$ 17,140,770	$ 17,140,770	-	N/A	N/A

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of the plan net position is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2013.

Membership in the OPEB Plan as of the most recent actuarial valuation date, July 1, 2013, was as follows:

Active participants	248
Retirees and beneficiaries	50
	298

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation

The County contributed $325,225 to the OPEB Plan in the year ended June 30, 2014. The annual required contribution amount is determined using actuarial methods and assumptions approved by the County Commission. The County Commission establishes and may amend the funding policy for the OPEB Plan.

The County's annual OPEB cost and net OPEB obligation were as follows:

	2013	2014
Annual required employer contribution	$ 1,834,136	$ 1,942,847
Interest on OPEB obligation	215,871	273,474
Adjustment to annual required contribution	(312,096)	(395,376)
Annual pension cost	1,737,911	1,820,945
Actual contributions to Plan	(297,834)	(325,225)
Increase in net pension obligation	1,440,077	1,495,720
Net pension obligation, beginning	5,396,782	6,836,859
Net pension obligation, ending	$ 6,836,859	$ 8,332,579

Trend Information

Fiscal Year Ending	Annual OPEB Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	$ 1,476,786	$ 180,168	12.2%	$ 1,296,242
6/30/2010	1,479,103	190,453	12.9%	2,584,892
6/30/2011	1,578,398	201,554	12.8%	3,961,736
6/30/2012	1,654,485	219,439	13.3%	5,396,782
6/30/2013	1,737,911	297,834	17.1%	6,836,859
6/30/2014	1,820,945	325,225	17.9%	8,332,579

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

Actuarial valuations involve estimates of the value of reported amount and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to the past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The assumptions used in the July 1, 2013 actuarial valuation are as follows:

Actuarial Valuation Information	
Current valuation date	July 1, 2013
Actuarial cost method	Projected unit credit
Actuarial asset valuation method	Five year average fair market value
Amortization method	Level dollar amortization (open)
Remaining amortization period	30 years
Actuarial assumptions:	
Discount Rate	4.0% per annum, compounded annually
Inflation Rate	2.5% per annum, compounded annually

NOTE 13: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County purchases commercial insurance to cover property and professional liability claims.

The County participates in the ACCG Group Self-Insurance Workers' Compensation Fund (GSIWCF), a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of this risk pool, the Government is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The responsibilities of the pool are to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability. The pool is to pay all costs 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.

There were no significant reductions of insurance coverage compared to the prior year. Settled claims in the past three years have not exceeded the coverage amounts.

NOTE 14: COMMITMENTS AND CONTINGENCIES

Litigation

The County is involved in a number of legal matters, which have or could result in litigation. The nature of the lawsuits varies considerably. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

Grant Contingencies

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

NOTE 15: RELATED ORGANIZATIONS

The County's governing council is responsible for all of the board appointments of the Liberty County Industrial Authority. However, the Liberty County Commission's powers with respect to the Liberty County Industrial Authority do not extend beyond these appointments and, accordingly, the County has no financial accountability for the Liberty County Industrial Authority.

NOTE 16: JOINT VENTURE

Coastal Regional Commission

Under Georgia law, the County, in conjunction with other cities and counties in the 10-county coastal Georgia region, is a member of the Coastal Regional Commission of Georgia (CRC) and is required to pay annual dues thereto. During its year ended June 30, 2014, the County paid $21,273 in such dues. Membership in the regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the CRC in Georgia. The CRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the Coastal Regional Commission, 1181 Coastal Drive SW, Darien, GA 31305.

NOTE 17: HOTEL/MOTEL TAX

The County has imposed a 5% hotel/motel tax on lodging facilities within the County. Revenues collected during the fiscal year ended June 30, 2014, were $120,830. Of this amount, 40% was paid to the Liberty County Convention & Visitors Bureau to promote tourism within Liberty County, while the remaining 60% was allocated to the General Fund for general purpose use.

NOTE18: DEFICIT FUND BALANCES / NET POSITION

The Recreation Fund reported a deficit fund balance of $240,637; Record Service Center reported a deficit fund balance of $9,368; Wright Army Airfield Grant Fund reported a deficit fund balance of $123,254; Water Project Fund reported a deficit fund balance of $49,744; and the Solid Waste Fund reported a deficit net position of $2,940,539 at June 30, 2014. The Recreation Fund and Records Service Center Fund deficits are intended to be eliminated through increased transfers from the General Fund. The Wright Army Airfield Grant Fund, Water Project Fund deficits are intended to be eliminated through increased transfers from the General Fund and additional grant revenues. The Solid Waste Fund deficit is intended to be eliminated through increases in charges.

Required Supplementary Information
(Unaudited)

Defined Benefit Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (b-a)/c
7/1/2008	$10,746,539	$16,591,518	$ 5,844,979	64.8%	$11,939,422	49.0%
7/1/2009	10,787,258	17,397,489	6,610,231	62.0%	11,959,009	55.3%
7/1/2010	10,740,357	18,905,723	8,165,366	56.8%	11,770,926	69.4%
7/1/2011	12,996,032	22,020,668	9,024,636	59.0%	11,785,415	76.6%
7/1/2012	13,886,519	23,345,404	9,458,885	59.5%	11,855,232	79.8%
7/1/2013	15,212,866	25,110,385	9,897,519	60.6%	12,653,727	78.2%

Other Post-Employment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (b-a)/c
7/1/2008	$ -	$10,491,480	$ 10,491,480	0.0%	N/A	N/A
7/1/2009	-	11,580,261	11,580,261	0.0%	N/A	N/A
7/1/2010	-	12,728,143	12,728,143	0.0%	N/A	N/A
7/1/2011	-	13,853,841	13,853,841	0.0%	N/A	N/A
7/1/2012	-	15,893,813	15,893,813	0.0%	N/A	N/A
7/1/2013	-	17,140,770	17,140,770	0.0%	N/A	N/A

The assumptions used in the preparation of the above schedules are disclosed in Notes 11 and 12 to the financial statements.



Supplementary Information: Combining and Individual Fund Statements and Schedules

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Liberty County Projects Corporation Fund is used to account for the receipt of rental funds from the Georgia Department of Human Resources (DHR) that are used to pay maintenance cost and amortize debt incurred in the construction of a DHR building.

Law Library Fund is used to account for the resources received from the various courts of Liberty County and disbursements for the support of centralized law library.

Confiscated Assets Fund is used to account for cash received either as a result of a cash confiscation or cash received from a sale of capital assets acquired from a drug raid.

Jail Fund is used to account for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

DARE Fund is used to account for donations and other proceeds restricted for County DARE projects.

E-911 System Fund is used to account for the County's emergency communications operations by providing an open channel between citizens and public safety providers.

Victim Witness Assistance Fund is used to account for the County's activities related to witnesses in legal proceedings.

Juvenile Services Fund is used to account for the County's funds collected for the support of juvenile services in the County.

Jail Commissary Fund is used to account for the proceeds of the jail inmate commissary sales.

Multiple Grant Fund is used to account for grant revenues and expenditures for various short lived projects.

Child Support Recovery Fund is used to account for activities related to the enforcement of child support payments.

SPECIAL REVENUE FUNDS (CONTINUED)

Recreation Fund is used the account for the County's recreational activities.

Records Service Center Fund is used to account for funds received and expenditures incurred related to the housing of records by the County.

Hotel/Motel Fund is used to account for funds collected from the hotel/motel tax and disbursed to other agencies for the promotion of tourism.

Technology Fund is used to account for funds received from the various courts of Liberty County and disbursements for the support of a centralized law library.

CAPITAL PROJECTS FUNDS

Special Purpose Local Option Sales Tax II Fund is used to account for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for: road and drainage improvements; hospital projects; public safety projects; recreation projects; public building projects; County administration projects; and debt service.

Special Purpose Local Option Sales Tax III Fund is used to account for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for: road and drainage improvements; public safety projects; technical school projects; recreation projects; public building projects; County administration projects; debt service; and other City projects within Liberty County.

Special Purpose Local Option Sales Tax IV Fund is used to account for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for: road and drainage improvements; public safety projects; recreation projects; public building projects; hospital projects; County administration projects; airport projects; debt services; and other City projects within Liberty County.

Capital Projects Fund is used to account for general appropriations and expenditures related to various County construction projects.

Wright Army Airfield Grant Fund is used to account for grant receipts and expenditures related to construction of the Wright Army Airfield project.

Water Project Fund is used to account for grant receipts and expenditures related to the construction of the County's new water system.

Liberty County, Georgia
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds				
	Liberty County Projects Corporation	Law Library Fund	Confiscated Assets Fund	Jail Fund	DARE Fund
Assets					
Cash and cash equivalents	$ 35,011	$ 62,629	$ 32,428	$ 359	$ 38,011
Investments	-	-	-	-	-
Accounts receivable	-	-	-	180,670	4,343
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	$ 35,011	$ 62,629	$ 32,428	$ 181,029	$ 42,354
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Retainage payable	-	-	-	-	-
Customer deposits payable	-	-	-	-	-
Accrued expenses	-	-	-	-	-
Due to other funds	35,011	-	-	36,804	1,626
Advance from other funds	-	-	-	-	-
Total liabilities	35,011	-	-	36,804	1,626
Fund Balances					
Restricted for:					
Judicial	-	62,629	-	-	-
Public safety	-	-	32,428	144,225	40,728
Capital outlay	-	-	-	-	-
Committed to:					
Judicial - information services	-	-	-	-	-
Assigned to:					
Public safety - jail	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	-	62,629	32,428	144,225	40,728
Total liabilities and fund balances	$ 35,011	$ 62,629	$ 32,428	$ 181,029	$ 42,354

-Continued-

Liberty County, Georgia
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds				
	E-911 System Fund	Victim Witness Assistance Fund	Juvenile Services Fund	Jail Commissary Fund	Multiple Grant Fund
Assets					
Cash and cash equivalents	$ 254,187	$ 595,538	$ 9,504	$ 172,762	$ 51,858
Investments	-	242,202	-	-	-
Accounts receivable	210,993	12,192	220	-	-
Due from other governments	-	-	-	-	246,086
Due from other funds	-	-	-	-	-
Total assets	$ 465,180	$ 849,932	$ 9,724	$ 172,762	$ 297,944
Liabilities					
Accounts payable	$ 14,188	$ 11,239	$ 840	$ -	$ 48,173
Retainage payable	-	-	-	-	-
Customer deposits payable	-	-	-	-	-
Accrued expenses	24,200	1,378	-	-	1,417
Due to other funds	39,860	146,699	8,769	-	199,182
Advance from other funds	-	-	-	-	-
Total liabilities	78,248	159,316	9,609	-	248,772
Fund Balances					
Restricted for:					
Judicial	-	-	-	-	49,172
Public safety	386,932	690,616	115	-	-
Capital outlay	-	-	-	-	-
Committed to:					
Judicial - information services	-	-	-	-	-
Assigned to:					
Public safety - jail	-	-	-	172,762	-
Capital outlay	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	386,932	690,616	115	172,762	49,172
Total liabilities and fund balances	$ 465,180	$ 849,932	$ 9,724	$ 172,762	$ 297,944

-Continued-

Liberty County, Georgia
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds				
	Child Support Recovery Fund	Recreation Fund	Records Service Center Fund	Hotel/ Motel Fund	Technology Fund
Assets					
Cash and cash equivalents	$ 96,499	$ 27,371	$ 4,688	$ 38,906	$ 20,587
Investments	-	-	-	-	-
Accounts receivable	425,691	-	15,855	9,426	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	$ 522,190	$ 27,371	$ 20,543	$ 48,332	$ 20,587
Liabilities					
Accounts payable	$ 14,287	$ 14,917	$ 8,421	$ 48,332	$ -
Retainage payable	-	-	-	-	-
Customer deposits payable	-	193	-	-	-
Accrued expenses	27,178	31,579	1,448	-	-
Due to other funds	36,070	-	20,042	-	-
Advance from other funds	-	221,319	-	-	-
Total liabilities	77,535	268,008	29,911	48,332	-
Fund Balances					
Restricted for:					
Judicial	444,655	-	-	-	-
Public safety	-	-	-	-	-
Capital outlay	-	-	-	-	-
Committed to:					
Judicial - information services	-	-	-	-	20,587
Assigned to:					
Public safety - jail	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unassigned		(240,637)	(9,368)	-	
Total fund balances	444,655	(240,637)	(9,368)	-	20,587
Total liabilities and fund balances	$ 522,190	$ 27,371	$ 20,543	$ 48,332	$ 20,587

-Continued-

Liberty County, Georgia
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2014

	Capital Projects Funds		
	Special Purpose Local Option Sales Tax II	Special Purpose Local Option Sales Tax III	Special Purpose Local Option Sales Tax IV
Assets			
Cash and cash equivalents	$ 375,599	$ 315,208	$ 2,944,322
Investments	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Total assets	$ 375,599	$ 315,208	$ 2,944,322
Liabilities			
Accounts payable	$ -	$ -	$ 171,141
Retainage payable	-	-	36,182
Customer deposits payable	-	-	-
Accrued expenses	-	-	-
Due to other funds	15,362	304,266	50,795
Advance from other funds	-	-	-
Total liabilities	15,362	304,266	258,118
Fund Balances			
Restricted for:			
Judicial	-	-	-
Public safety	-	-	-
Capital outlay	360,237	10,942	2,686,204
Committed to:			
Judicial - information services	-	-	-
Assigned to:			
Public safety - jail	-	-	-
Capital outlay	-	-	-
Unassigned			
Total fund balances	360,237	10,942	2,686,204
Total liabilities and fund balances	$ 375,599	$ 315,208	$ 2,944,322

-Continued-

Liberty County, Georgia
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2014

	Capital Projects Funds			
	Capital Projects Fund	Wright Army Airfield Grant Fund	Water Project Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 52,133	$ -	$ 5,100	$ 5,132,700
Investments	-	-	-	242,202
Accounts receivable	-	-	-	859,390
Due from other governments	-	263,125	-	509,211
Due from other funds	-	-	-	-
Total assets	$ 52,133	$ 263,125	$ 5,100	$ 6,743,503
Liabilities				
Accounts payable	$ 615	$ 385,416	$ -	$ 717,569
Retainage payable	-	-	-	36,182
Customer deposits payable	-	-	-	193
Accrued expenses	-	-	211	87,411
Due to other funds	6,629	963	54,633	956,711
Advance from other funds	-	-	-	221,319
Total liabilities	7,244	386,379	54,844	2,019,385
Fund Balances				
Restricted for:				
Judicial	-	-	-	556,456
Public safety	-	-	-	1,295,044
Capital outlay	-	-	-	3,057,383
Committed to:				
Judicial - information services	-	-	-	20,587
Assigned to:				
Public safety - jail	-	-	-	172,762
Capital outlay	44,889	-	-	44,889
Unassigned	-	(123,254)	(49,744)	(423,003)
Total fund balances	44,889	(123,254)	(49,744)	4,724,118
Total liabilities and fund balances	$ 52,133	$ 263,125	$ 5,100	$ 6,743,503

Liberty 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				
	Liberty County Projects Corporation	Law Library Fund	Confiscated Assets Fund	Jail Fund	DARE Fund
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	64,165	21,209	362,154	48,517
Interest income	-	1	11	14	9
Other revenues	420,129	-	-	-	-
Total revenues	420,129	64,166	21,220	362,168	48,526
Expenditures					
Current:					
General government	-	-	-	-	-
Judicial	-	57,043	-	-	-
Public safety	-	-	57,676	348,342	-
Health and welfare	42,639	-	-	-	62,011
Culture and recreation	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	139,058	-	-	-	-
Interest	206,541	-	-	-	-
Total expenditures	388,238	57,043	57,676	348,342	62,011
Excess (deficiency) of revenues over (under) expenditures	31,891	7,123	(36,456)	13,826	(13,485)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	31,891	7,123	(36,456)	13,826	(13,485)
Fund balances, beginning of year	(31,891)	55,506	68,884	130,399	54,213
Fund balances, end of year	$ -	$ 62,629	$ 32,428	$ 144,225	$ 40,728

-Continued-

Liberty 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				
	E-911 System Fund	Victim Witness Assistance Fund	Juvenile Services Fund	Jail Commissary Fund	Multiple Grant Fund
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	800	-	556,269
Charges for services	941,956	265,495	-	152,283	-
Fines and forfeitures	-	34,989	3,003	-	69,495
Interest income	136	2,203	1	-	11
Other revenues	-	-	-	-	-
Total revenues	942,092	302,687	3,804	152,283	625,775
Expenditures					
Current:					
General government	-	-	-	-	-
Judicial	-	235,297	-	-	397,898
Public safety	1,740,268	-	6,795	138,903	51,104
Health and welfare	-	-	-	-	98,136
Culture and recreation	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	1,740,268	235,297	6,795	138,903	547,138
Excess (deficiency) of revenues over (under) expenditures	(798,176)	67,390	(2,991)	13,380	78,637
Other Financing Sources (Uses)					
Transfers in	798,677	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	798,677	-	-	-	-
Net change in fund balances	501	67,390	(2,991)	13,380	78,637
Fund balances, beginning of year	386,431	623,226	3,106	159,382	(29,465)
Fund balances, end of year	$ 386,932	$ 690,616	$ 115	$ 172,762	$ 49,172

-Continued-

Liberty 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				
	Child Support Recovery Fund	Recreation Fund	Records Service Center Fund	Hotel/ Motel Fund	Technology Fund
Revenues					
Taxes	$ -	$ -	$ -	$ 120,830	$ -
Intergovernmental	1,545,455	-	-	-	-
Charges for services	-	350,306	180,758	-	-
Fines and forfeitures	-	-	-	-	-
Interest income	71	10	19	-	5
Other revenues	-	24,654	50	-	1,310
Total revenues	1,545,526	374,970	180,827	120,830	1,315
Expenditures					
Current:					
General government	-	-	188,530	-	-
Judicial	1,521,225	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	1,719,643	-	-	-
Economic development	-	-	-	48,332	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	1,521,225	1,719,643	188,530	48,332	-
Excess (deficiency) of revenues over (under) expenditures	24,301	(1,344,673)	(7,703)	72,498	1,315
Other Financing Sources (Uses)					
Transfers in	-	1,343,732	-	-	-
Transfers out	-	-	-	(72,498)	-
Total other financing sources (uses)	-	1,343,732	-	(72,498)	-
Net change in fund balances	24,301	(941)	(7,703)	-	1,315
Fund balances, beginning of year	420,354	(239,696)	(1,665)	-	19,272
Fund balances, end of year	$ 444,655	$ (240,637)	$ (9,368)	$ -	$ 20,587

-Continued-

Liberty County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Capital Projects Funds		
	Special Purpose Local Option Sales Tax II	Special Purpose Local Option Sales Tax III	Special Purpose Local Option Sales Tax IV
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest income	108	7	2,559
Other revenues	-	-	-
Total revenues	108	7	2,559
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Economic development	-	-	-
Capital outlay	15,362	237,605	2,008,341
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	15,362	237,605	2,008,341
Excess (deficiency) of revenues over (under) expenditures	(15,254)	(237,598)	(2,005,782)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(15,254)	(237,598)	(2,005,782)
Fund balances, beginning of year	375,491	248,540	4,691,986
Fund balances, end of year	$ 360,237	$ 10,942	$ 2,686,204

-Continued-

Liberty County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Capital Projects Funds			
	Capital Projects Fund	Wright Army Airfield Grant Fund	Water System Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	$ -	$ -	$ -	$ 120,830
Intergovernmental	-	277,715	710,272	3,090,511
Charges for services	-	-	-	1,890,798
Fines and forfeitures	-	-	-	603,532
Interest income	24	-	-	5,189
Other revenues	78,689	-	-	524,832
Total revenues	78,713	277,715	710,272	6,235,692
Expenditures				
Current:				
General government	-	-	-	188,530
Judicial	-	-	-	2,211,463
Public safety	-	-	-	2,343,088
Health and welfare	-	-	-	202,786
Culture and recreation	-	-	-	1,719,643
Economic development	-	-	-	48,332
Capital outlay	26,843	194,338	705,273	3,187,762
Debt service:				-
Principal	-	-	-	139,058
Interest	-	-	-	206,541
Total expenditures	26,843	194,338	705,273	10,247,203
Excess (deficiency) of revenues over (under) expenditures	51,870	83,377	4,999	(4,011,511)
Other Financing Sources (Uses)				
Transfers in	300,000	2,971	-	2,445,380
Transfers out	-	-	-	(72,498)
Total other financing sources (uses)	300,000	2,971	-	2,372,882
Net change in fund balances	351,870	86,348	4,999	(1,638,629)
Fund balances, beginning of year	(306,981)	(209,602)	(54,743)	6,362,747
Fund balances, end of year	$ 44,889	$ (123,254)	$ (49,744)	$ 4,724,118

Liberty County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – E-911 Fund
For the Year Ended June 30, 2014

	Budget		Actual	Variance With Final Budget
	Original	Final Amended		
Revenues				
Charges for services	$ 1,248,400	$ 1,248,400	$ 941,956	$ (306,444)
Interest income	172	172	136	(36)
Total revenues	1,248,572	1,248,572	942,092	(306,480)
Expenditures				
Current:				
Public safety	1,922,572	1,922,572	1,740,268	182,304
Total expenditures	1,922,572	1,922,572	1,740,268	182,304
Excess (deficiency) of revenues over (under) expenditures	(674,000)	(674,000)	(798,176)	(124,176)
Other Financing Sources (Uses)				
Transfers from other funds	674,000	674,000	798,677	124,677
Total other financing sources (uses)	674,000	674,000	798,677	124,677
Net change in fund balances	-	-	501	501
Fund balances, beginning of year	386,431	386,431	386,431	-
Fund balances, end of year	$ 386,431	$ 386,431	$ 386,932	$ 501

Liberty County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Victim Witness Fund
For the Year Ended June 30, 2014

	Budget		Actual	Variance With Final Budget
	Original	Final Amended		
Revenues				
Charges for services	$ 238,000	$ 238,000	$ 265,495	$ 27,495
Fines and forfeitures	6,600	6,600	34,989	28,389
Interest income	100	100	2,203	2,103
Total revenues	244,700	244,700	302,687	57,987
Expenditures				
Current:				
Judicial	244,700	244,700	235,297	9,403
Total expenditures	244,700	244,700	235,297	9,403
Net change in fund balances	-	-	67,390	67,390
Fund balances, beginning of year	623,226	623,226	623,226	-
Fund balances, end of year	$ 623,226	$ 623,226	$ 690,616	$ 67,390

Liberty County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Juvenile Services Fund
For the Year Ended June 30, 2014

	Budget		Actual	Variance With Final Budget
	Original	Final Amended		
Revenues				
Intergovernmental	$ 5,000	$ 5,000	$ 800	$ (4,200)
Fines and forfeitures	2,000	2,000	3,003	1,003
Interest income	-	-	1	1
Total revenues	7,000	7,000	3,804	(3,196)
Expenditures				
Current:				
Public safety	7,000	7,000	6,795	205
Total expenditures	7,000	7,000	6,795	205
Net change in fund balances	-	-	(2,991)	(2,991)
Fund balances, beginning of year	3,106	3,106	3,106	-
Fund balances, end of year	$ 3,106	$ 3,106	$ 115	$ (2,991)

Liberty County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Multiple Grant Fund
For the Year Ended June 30, 2014

	Budget		Actual	Variance With Final Budget
	Original	Final Amended		
Expenditures				
Intergovernmental	$ 317,783	$ 354,833	$ 556,269	$ 201,436
Fines and forfeitures	-	-	69,495	69,495
Interest income	-	-	11	11
Total revenues	317,783	354,833	625,775	270,942
Expenditures				
Current:				
Judicial	245,800	245,800	397,898	(152,098)
Public safety	12,983	50,033	51,104	(1,071)
Health and welfare	59,000	59,000	98,136	(39,136)
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Total expenditures	317,783	354,833	547,138	(192,305)
Net change in fund balances	-	-	78,637	78,637
Fund balances, beginning of year	(29,465)	(29,465)	(29,465)	-
Fund balances, end of year	$ (29,465)	$ (29,465)	$ 49,172	$ 78,637

Liberty County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Child Support Recovery Fund
For the Year Ended June 30, 2014

	Budget		Actual	Variance With Final Budget
	Original	Final Amended		
Revenues				
Intergovernmental	$ 1,851,900	$ 1,851,900	$ 1,545,455	$ (306,445)
Interest income	-	-	71	71
Total revenues	1,851,900	1,851,900	1,545,526	(306,374)
Expenditures				
Current:				
Judicial	1,851,900	1,851,900	1,521,225	330,675
Total expenditures	1,851,900	1,851,900	1,521,225	330,675
Net change in fund balances	-	-	24,301	24,301
Fund balances, beginning of year	420,354	420,354	420,354	-
Fund balances, end of year	$ 420,354	$ 420,354	$ 444,655	$ 24,301

Liberty County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances –Budget (GAAP Basis) and Actual – Recreation Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Expenditures				
Charges for services	$ 342,400	$ 342,400	$ 350,306	$ 7,906
Interest income	-	-	10	10
Other revenues	23,000	23,000	24,654	1,654
Total revenues	365,400	365,400	374,970	9,570
Expenditures				
Current:				
Culture and recreation	1,579,140	1,806,344	1,719,643	86,701
Total expenditures	1,579,140	1,806,344	1,719,643	86,701
Excess (deficiency) of revenues over (under) expenditures	(1,213,740)	(1,440,944)	(1,344,673)	96,271
Other Financing Sources (Uses)				
Transfers from other funds	1,213,741	1,441,445	1,343,732	(97,713)
Total other financing sources (uses)	1,213,741	1,441,445	1,343,732	(97,713)
Net change in fund balances	1	501	(941)	(1,442)
Fund balances, beginning of year	(239,696)	(239,696)	(239,696)	-
Fund balances, end of year	$ (239,695)	$ (239,195)	$ (240,637)	$ (1,442)

Liberty County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances –Budget (GAAP Basis) and Actual – Records Service Center Fund
For the Year Ended June 30, 2014

	Budget		Actual	Variance With Final Budget
	Original	Final Amended		
Revenues				
Charges for services	$ 205,544	$ 207,596	$ 180,758	$ (26,838)
Interest income	-	-	19	19
Other revenues	-	-	50	50
Total revenues	205,544	207,596	180,827	(26,769)
Expenditures				
Current:				
General government	205,544	207,596	188,530	19,066
Public safety	-	-	-	-
Total expenditures	205,544	207,596	188,530	19,066
Net change in fund balances	-	-	(7,703)	(7,703)
Fund balances, beginning of year	(1,665)	(1,665)	(1,665)	-
Fund balances, end of year	$ (1,665)	$ (1,665)	$ (9,368)	$ (7,703)

Liberty County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances –Budget (GAAP Basis) and Actual – Hotel/Motel Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Revenues				
Taxes	$ 50,000	$ 50,000	$ 120,830	$ 70,830
Total revenues	50,000	50,000	120,830	70,830
Expenditures				
Current:				
Economic development	50,000	50,000	48,332	1,668
Total expenditures	50,000	50,000	48,332	1,668
Excess (deficiency) of revenues over (under) expenditures	-	-	72,498	72,498
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(72,498)	(72,498)
Total other financing sources (uses)	-	-	(72,498)	(72,498)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

Clerk of Court and **Probate Court** – These funds are used to account for fines, fees, and other moneys collected by the courts and remitted to other parties in accordance with court orders and state law.

Tax Commissioner – This fund is used to account for all real, personal and intangible taxes collected and forwarded to the County and other government units.

Jail Inmate – This fund accounts for jail inmate funds while in custody, and for the purchase of items from the Jail Commissary and related activities on behalf of inmates and the correctional institution.

Liberty County, Georgia
Combining Statement of Assets and Liabilities – Agency Funds
June 30, 2014

	Clerk of Court	Probate Court	Tax Commissioner	Jail Inmate	Total Agency Funds
Assets					
Cash	$ 847,848	$ 87,501	$ 218,614	$ 5,438	$ 1,159,401
Investments	-	238,521	-	-	238,521
Taxes Recievable	-	-	5,913,088	-	5,913,088
Other Receivables	-	-	32,671	-	32,671
Total assets	$ 847,848	$ 326,022	$ 6,164,373	$ 5,438	$ 7,343,681
Liabilities					
Due to others	$ 847,848	$ 326,022	$ 251,285	$ 5,438	$ 1,430,593
Uncollected taxes	-	-	5,913,088	-	5,913,088
Total liabilities	$ 847,848	$ 326,022	$ 6,164,373	$ 5,438	$ 7,343,681

Liberty County, Georgia
Combining Statement Changes in Assets and Liabilities – Agency Funds
June 30, 2014

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
CLERK OF COURT:				
Assets				
Cash	$ 626,583	$ 561,311	$ (340,046)	$ 847,848
Total assets	$ 626,583	$ 561,311	$ (340,046)	$ 847,848
Liabilities				
Due to others	$ 626,583	$ 561,311	$ (340,046)	$ 847,848
Total liabilities	$ 626,583	$ 561,311	$ (340,046)	$ 847,848
PROBATE COURT:				
Assets				
Cash	$ 11,207	$ 293,541	$ (217,247)	$ 87,501
Investments	331,018	1,770	(94,267)	238,521
Total assets	$ 342,225	$ 295,311	$ (311,514)	$ 326,022
Liabilities				
Due to others	342,225	$ 295,311	$ (311,514)	326,022
Total liabilities	$ 342,225	$ 295,311	$ (311,514)	$ 326,022
TAX COMMISSIONER:				
Assets				
Cash	$ 193,904	$ 57,934,370	$ (57,909,660)	$ 218,614
Taxes receivable	5,740,713	14,486,110	(14,313,735)	5,913,088
Other receivables	24,500	58,159	(49,988)	32,671
Total assets	$ 5,959,117	$ 72,478,639	$ (72,273,383)	$ 6,164,373
Liabilities				
Due to others	$ 218,404	$ 57,992,529	$ (57,959,648)	$ 251,285
Uncollected taxes	5,740,713	14,486,110	(14,313,735)	5,913,088
Total liabilities	$ 5,959,117	$ 72,478,639	$ (72,273,383)	$ 6,164,373

Liberty County, Georgia
Combining Statement Changes in Assets and Liabilities – Agency Funds
June 30, 2014

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
JAIL INMATE:				
ASSETS				
Cash	$ 12,311	$ 429,244	$ (436,117)	$ 5,438
Total assets	$ 12,311	$ 429,244	$ (436,117)	$ 5,438
LIABILITIES				
Due to others	$ 12,311	$ 429,244	$ (436,117)	$ 5,438
Total liabilities	$ 12,311	$ 429,244	$ (436,117)	$ 5,438
TOTAL AGENCY FUNDS:				
ASSETS				
Cash	$ 844,005	$ 59,218,466	$ (58,903,070)	$ 1,159,401
Investments	331,018	1,770	(94,267)	238,521
Taxes receivable	5,740,713	14,486,110	(14,313,735)	5,913,088
Other receivables	24,500	58,159	(49,988)	32,671
Total assets	$ 6,940,236	$ 73,764,505	$ (73,361,060)	$ 7,343,681
LIABILITIES				
Due to others	$ 1,199,523	$ 59,278,395	$ (59,047,325)	$ 1,430,593
Uncollected taxes	5,740,713	14,486,110	(14,313,735)	5,913,088
Total liabilities	$ 6,940,236	$ 73,764,505	$ (73,361,060)	$ 7,343,681



Statistical Section
(Unaudited)

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

Financial Trends 110
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity 115
These schedules contain information to help the reader assess the County's most significant local revenue sources.

Debt Capacity 119
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information 124
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information 126
These schedules contain services and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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

Note: Unless otherwise noted, the financial information in these schedules does not include the County's discretely presented component units.

Liberty County, Georgia
Net Position by Component (Unaudited)
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net investment in capital assets	$ 26,180,482	$ 41,840,464	$ 77,128,581	$ 79,474,988	$ 83,475,829	$ 88,704,661	$ 84,246,053	$ 87,093,080	$ 90,137,857	$ 89,048,358
Restricted	14,192,318	13,554,363	15,651,152	18,912,430	16,884,412	13,461,067	25,646,045	18,454,081	20,592,254	18,259,373
Unrestricted	13,690,269	15,263,160	16,795,945	15,545,791	13,225,589	12,763,174	5,932,517	11,883,706	6,165,966	7,035,115
Total Governmental Activities	$ 54,063,069	$ 70,657,987	$ 109,575,678	$ 113,933,209	$ 113,585,830	$ 114,928,902	$ 115,824,615	$ 117,430,867	$ 116,896,077	$ 114,342,846
Business-Type Activities										
Net investment in capital assets	$ (47,949)	$ 514,728	$ 827,068	$ 1,841,736	$ 1,625,913	$ 1,737,174	$ 1,543,797	$ 1,612,794	$ 1,432,559	$ 3,322,795
Restricted	215,591	-	-	-	-	-	-	-	-	-
Unrestricted	(4,324,756)	(4,792,630)	(4,798,088)	(5,451,768)	(5,195,951)	(5,319,611)	(4,846,461)	(4,580,052)	(4,294,478)	(4,318,786)
Total Business-Type Activities	$ (4,157,114)	$ (4,277,902)	$ (3,971,020)	$ (3,610,032)	$ (3,570,038)	$ (3,582,437)	$ (3,302,664)	$ (2,967,258)	$ (2,861,919)	$ (995,991)
Primary Government										
Net investment in capital assets	$ 26,132,533	$ 42,355,192	$ 77,955,649	$ 81,316,724	$ 85,101,742	$ 90,441,835	$ 85,789,850	$ 88,705,874	$ 91,570,416	$ 92,371,153
Restricted	14,407,909	13,554,363	15,651,152	18,912,430	16,884,412	13,461,067	25,646,045	18,454,081	20,592,254	18,259,373
Unrestricted	9,365,513	10,470,530	11,997,857	10,094,023	8,029,638	7,443,563	1,086,056	7,303,654	1,871,488	2,716,329
Total Primary Government	$ 49,905,955	$ 66,380,085	$ 105,604,658	$ 110,323,177	$ 110,015,792	$ 111,346,465	$ 112,521,951	$ 114,463,609	$ 114,034,158	$ 113,346,855

NOTES:

Amounts presented for fiscal years 2004-2006 have not been adjusted for the effects of prior period adjustments recorded in fiscal year 2007.

The County retroactively reported its major general infrastructure assets in fiscal year 2007.

The County retroactively reported its major general infrastructure assets in fiscal year 2007.

Amounts prior to 2014 have not been restated for the effect of GASB 65, which was implemented in FY 2014.

Liberty County, Georgia
Change in Net Position (Unaudited)
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental Activities										
General government	$ 4,482,707	$ 4,347,521	$ 5,338,048	$ 5,768,288	$ 8,041,276	$ 8,347,853	$ 8,947,905	$ 8,095,198	$ 8,728,328	$ 10,264,204
Judicial	3,483,490	3,309,068	5,020,035	5,328,755	5,825,756	5,772,664	5,989,511	6,284,728	7,086,496	6,973,462
Public safety	9,235,443	10,998,568	10,104,143	11,277,490	12,201,599	11,895,580	12,978,450	12,558,519	12,378,186	12,678,191
Public works	4,109,128	2,836,217	4,564,405	4,574,023	7,587,696	6,123,717	4,312,763	7,439,770	3,933,426	5,406,223
Health and welfare	978,236	817,167	770,607	765,016	744,575	770,039	1,285,612	917,052	843,117	935,656
Culture and recreation	1,721,969	1,588,230	1,787,767	505,648	2,352,136	2,100,438	2,194,226	2,293,664	2,385,867	2,874,961
Economic development	932,689	839,706	921,105	3,557,970	1,817,092	2,368,117	2,415,009	1,653,443	2,067,204	1,529,534
Interest on long-term debt	392,795	169,940	165,210	153,339	335,821	1,156,147	1,157,779	1,173,220	1,327,079	1,006,110
Total Governmental Activities	25,336,457	24,906,417	28,671,320	31,930,529	38,905,951	38,534,555	39,281,255	40,415,594	38,749,703	41,668,341
Business-Type Activities										
Solid waste	2,266,382	2,373,476	2,625,023	2,454,542	2,596,118	2,517,015	2,491,091	2,626,844	2,758,571	2,932,799
Water system	-	-	-	-	-	-	-	45	10	-
Other services - revolving loan	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	2,266,382	2,373,476	2,625,023	2,454,542	2,596,118	2,517,015	2,491,091	2,626,889	2,758,581	2,932,799
Total Primary Government	$ 27,602,839	$ 27,279,893	$ 31,296,343	$ 34,385,071	$ 41,502,069	$ 41,051,570	$ 41,772,346	$ 43,042,483	$ 41,508,284	$ 44,601,140
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General government	$ 904,756	$ 1,440,583	$ 2,096,176	$ 1,544,903	$ 1,712,778	$ 2,036,854	$ 1,914,424	$ 1,745,743	$ 2,353,145	$ 6,189,915
Judicial	57,277	266,798	28,500	13,387	7,075	92,815	90,211	87,275	798,424	364,649
Public safety	2,916,911	3,080,621	4,474,129	5,083,730	5,522,021	5,274,043	4,882,066	5,102,762	4,795,969	1,628,789
Public works	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	70,023	462,878	48,517
Culture and recreation	226,705	248,994	252,111	314,525	406,677	330,607	353,905	328,377	311,472	374,960
Intergovernmental programs	31,585	51,069	-	-	-	-	-	-	-	-
Operating grants and contributions	4,170,691	2,973,020	2,197,698	2,328,958	2,346,027	3,202,434	3,360,004	6,107,686	2,252,768	2,130,560
Capital grants and contributions	562,463	8,840,124	3,638,750	560,441	654,664	956,560	2,043,978	1,205,209	439,097	987,987
Total Governmental Activities	8,870,388	16,901,209	12,687,364	9,845,944	10,649,242	11,893,313	12,644,588	14,647,075	11,413,753	11,725,377
Business-Type Activities										
Charges for services	1,870,998	2,135,288	2,200,942	2,398,714	2,324,729	2,486,923	2,747,007	2,774,589	2,818,756	3,136,042
Operating grants and contributions	-	-	41,542	1,000	60,443	28,237	23,483	7,646	-	-
Capital grants and contributions	-	-	-	-	-	-	-	16,876	-	955,601
Total Business-Type Activities	1,870,998	2,135,288	2,242,484	2,399,714	2,385,172	2,515,160	2,770,490	2,799,111	2,818,756	4,091,643
Total Primary Government	$ 10,741,386	$ 19,036,497	$ 14,929,848	$ 12,245,658	$ 13,034,414	$ 14,408,473	$ 15,415,078	$ 17,446,186	$ 14,232,509	$ 15,817,020
NET PROGRAM (EXPENSE)/REVENUE										
Governmental Activities	$ (16,466,069)	$ (8,005,208)	$ (15,983,956)	$ (22,084,585)	$ (28,256,709)	$ (26,641,242)	$ (26,636,667)	$ (25,768,519)	$ (27,335,950)	$ (29,942,964)
Business-Type Activities	(395,384)	(238,188)	(382,539)	(54,828)	(210,946)	(1,855)	279,399	172,222	60,175	1,158,844
Total Primary Government Net Expense	$ (16,861,453)	$ (8,243,396)	$ (16,366,495)	$ (22,139,413)	$ (28,467,655)	$ (26,643,097)	$ (26,357,268)	$ (25,596,297)	$ (27,275,775)	$ (28,784,120)

-Continued-

Liberty County, Georgia
Change in Net Position (Unaudited)
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Property taxes	$ 10,258,490	$ 11,758,720	$ 12,133,006	$ 13,021,556	$ 14,148,805	$ 14,179,782	$ 13,928,706	$ 13,802,287	$ 15,014,547	$ 16,378,085
Sales taxes	8,987,413	10,150,985	10,886,320	11,218,653	11,520,469	11,845,896	11,738,477	12,072,731	10,707,753	10,488,670
Other taxes	643,961	706,608	1,356,128	1,402,905	1,694,945	1,714,723	1,847,311	1,595,644	1,720,307	1,269,674
Grants and contributions	1,130,608	637,516	-	-	-	-	-	-	-	-
Investment earnings	536,970	702,278	996,624	799,002	385,222	57,480	17,886	34,099	9,652	16,899
Miscellaneous	211,771	244,019	-	-	-	-	-	-	-	-
Gain on sale of capital assets	(1,345,500)	-	-	-	-	24,298	-	33,058	12,212	-
Transfers	-	400,000	-	-	159,889	162,135	-	(163,048)	(45,065)	(705,273)
Total Governmental Activities	20,423,713	24,600,126	25,372,078	26,442,116	27,909,330	27,984,314	27,532,380	27,374,771	27,419,406	27,448,055
Business-Type Activities										
Business taxes	500,000	500,000	500,000	400,000	400,000	150,000	-	-	-	-
Investment earnings	4,667	17,400	52,481	15,816	9,674	1,591	374	136	99	253
Gain on sale of capital assets	-	-	-	-	1,155	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	1,558
Transfers	-	(400,000)	-	-	(159,889)	(162,135)	-	163,048	45,065	705,273
Total Business-Type Activities	504,667	117,400	552,481	415,816	250,940	(10,544)	374	163,184	45,164	707,084
Total Primary Government	20,928,380	24,717,526	25,924,559	26,857,932	28,160,270	27,973,770	27,532,754	27,537,955	27,464,570	28,155,139
CHANGE IN NET POSITION										
Governmental Activities	3,957,644	16,594,918	9,388,122	4,357,531	(347,379)	1,343,072	895,713	1,606,252	83,456	(2,494,909)
Business-Type Activities	109,283	(120,788)	169,942	360,988	39,994	(12,399)	279,773	335,406	105,339	1,865,928
Total Primary Government	$ 4,066,927	$ 16,474,130	$ 9,558,064	$ 4,718,519	$ (307,385)	$ 1,330,673	$ 1,175,486	$ 1,941,658	$ 188,795	$ (628,981)

NOTES:

Amounts presented for fiscal years 2004-2007 have been restated for the effects of prior period adjustments recorded in fiscal year 2006.
Certain revenues and expenditures presented for fiscal year 2004 have been restated by function, in order to present the information consistent with current functional classifications.
In fiscal year 2004, 100% of the Insurance Premium Tax was recorded in the Solid Waste Fund.
In fiscal year 2004, the late submission of the 2003 tax digest delayed the receipt of the Homeowner's Tax Relief Grant.
In fiscal year 2005, the loss was related to the hospital building that was demolished by the County.
Amounts prior to 2014 have not been restated for the effect of GASB 65, which was implemented in FY 2014.

Liberty County, Georgia
Fund Balances – Governmental Funds (Unaudited)
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	$ 205,137	$ 279,114	$ 3,680,003	$ 4,472,339	$ 4,513,727	$ 4,531,285	$ -	$ -	$ -	$ -
Unreserved	12,930,212	14,745,648	11,979,441	9,681,077	9,528,137	9,426,345	-	-	-	-
Nonspendable	-	-	-	-	-	-	4,338,274	4,358,825	4,198,408	4,256,514
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	9,346,364	12,637,077	12,926,843	12,053,430
Total General Fund	13,135,349	15,024,762	15,659,444	14,153,416	14,041,864	13,957,630	13,684,638	16,995,902	17,125,251	16,309,944
All Other Governmental Funds										
Reserved	210,491	309,293	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	217,256	271,198	1,295,581	1,532,007	1,584,572	1,631,618	-	-	-	-
Capital projects funds	13,559,434	13,181,037	15,651,152	18,912,430	38,201,760	28,480,582	-	-	-	-
Nonspendable, reported in:										
Special revenue funds	-	-	-	-	-	-	9,147	-	-	-
Restricted, reported in:										
Special revenue funds	-	-	-	-	-	-	5,935,991	1,409,294	1,742,119	1,851,500
Capital projects funds	-	-	-	-	-	-	19,710,054	17,044,787	15,217,788	16,407,873
Committed, reported in:										
Special revenue funds	-	-	-	-	-	-	19,136	17,969	19,272	20,587
Assigned, reported in:										
Special revenue funds	-	-	-	-	-	-	196,329	181,033	159,382	217,651
Capital projects funds	-	-	-	-	-	-	500,001	467,818	-	-
Unassigned, reported in:										
Special revenue funds	-	-	-	-	-	-	(242,149)	(345,209)	(302,717)	-
Capital projects funds	-	-	-	-	-	-	(281,242)	(262,550)	(571,326)	(423,003)
Total All Other Governmental Funds	13,987,181	13,761,528	16,946,733	20,444,437	39,786,332	30,112,200	25,847,267	18,513,142	16,264,518	18,074,608
Total All Governmental Funds	$ 27,122,530	$ 28,786,290	$ 32,606,177	$ 34,597,853	$ 53,828,196	$ 44,069,830	$ 39,531,905	$ 35,509,044	$ 33,389,769	$ 34,384,552

NOTES:

Amounts presented for fiscal years 2004-2007 have been restated for the effects of prior period adjustments recorded in fiscal year 2006.

GASB 54 was implemented during fiscal year 2011

Liberty County, Georgia
Changes in Fund Balances – Governmental Funds (Unaudited)
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Taxes	$ 21,195,907	$ 22,583,212	$ 24,486,610	$ 25,569,182	$ 26,909,525	$ 27,414,213	$ 27,805,097	$ 27,690,197	$ 27,205,854	$ 28,079,736
Licenses and permits	335,206	296,667	217,650	222,260	151,781	103,555	178,309	120,297	144,641	147,344
Intergovernmental	4,733,154	12,450,660	4,082,602	2,423,194	2,498,558	3,736,209	5,257,824	7,260,881	2,650,422	3,118,547
Charges for services	2,312,353	3,008,620	3,640,381	3,850,930	4,404,214	4,554,839	4,204,153	4,248,088	4,337,098	4,052,699
Fines	1,940,892	1,771,851	2,306,261	2,349,918	2,523,056	2,458,190	2,281,178	2,307,792	2,805,367	3,130,003
Investment earnings	536,970	702,278	996,624	799,002	385,222	456,488	140,327	55,862	21,401	16,899
Miscellaneous	211,771	232,536	2,440,470	999,642	597,321	641,512	600,683	679,754	1,464,476	1,276,784
Total Revenues	31,266,253	41,045,824	38,170,598	36,214,128	37,469,677	39,365,006	40,467,571	42,362,871	38,629,259	39,822,012
EXPENDITURES										
General Government	4,055,276	4,501,798	5,337,381	5,413,662	5,704,132	5,273,355	5,729,380	5,738,274	6,065,051	6,139,309
Judicial	3,315,280	3,346,181	5,091,873	5,290,308	5,642,955	5,735,116	5,944,242	6,234,481	6,006,579	6,155,682
Public Safety	9,089,373	9,834,654	9,481,481	10,977,630	11,849,767	10,809,864	11,359,082	10,798,915	11,611,923	11,762,911
Public Works	1,514,225	1,615,917	1,651,620	2,791,306	2,132,151	1,720,956	1,792,249	1,811,849	1,889,032	1,952,238
Health and welfare	940,080	812,109	747,527	756,820	705,568	730,033	1,244,055	5,005,870	665,248	747,786
Culture and recreation	1,253,857	1,367,736	1,505,427	1,920,019	1,809,735	1,784,400	1,889,283	1,849,490	1,840,824	2,070,141
Economic development	940,398	704,091	913,903	2,772,346	1,269,475	1,713,037	1,811,123	1,062,399	982,378	833,976
Intergovernmental payments	-	-	-	-	-	-	-	2,349,058	1,073,502	914,929
Capital outlay	9,223,862	16,519,838	11,265,908	9,335,509	9,213,671	18,618,016	16,488,150	9,175,769	7,364,923	6,192,232
Debt service:										
Principal	1,379,206	1,288,422	1,442,542	1,533,078	7,844,916	2,874,510	2,395,457	1,289,574	1,426,262	1,613,723
Interest and fees	409,183	186,328	161,878	131,574	1,280,680	1,137,973	1,128,445	1,103,111	1,216,778	1,062,548
Total Expenditures	32,120,740	40,177,074	37,599,540	40,922,252	47,453,050	50,397,260	49,781,466	46,418,790	40,142,500	39,445,475
Excess (deficiency) of revenues over (under) expenditures	(854,487)	868,750	571,058	(4,708,124)	(9,983,373)	(11,032,254)	(9,313,895)	(4,055,919)	(1,513,241)	376,537
OTHER FINANCING SOURCES										
Proceeds from sale of assets	-	22,410	-	14,120	35,189	-	-	33,058	12,212	-
Inception of capital lease	104,298	357,100	-	535,559	378,172	-	-	-	-	
Transfers in	1,492,339	2,168,118	2,456,567	2,247,478	2,211,980	1,972,001	2,460,892	2,690,766	1,571,533	2,517,878
Transfers out	(1,492,339)	(1,768,118)	(2,456,567)	(2,247,478)	(2,052,091)	(1,809,866)	(2,460,892)	(2,690,766)	(1,571,533)	(2,517,878)
Issuance of notes payable	-	15,500	2,878,972	3,744,784	2,855,466	1,086,228	-	-	-	
Settlement proceeds	-	-	-	2,405,337	-	25,525	3,931	-	-	
Issuance of bonds	7,191,933	-	-	-	25,785,000	-	4,772,039	-	-	
Early retirement of long-term debt	(1,415,000)	-	-	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	5,881,231	795,010	2,878,972	6,699,800	29,213,716	1,273,888	4,775,970	33,058	12,212	-
Net Change in Fund Balances	$ 5,026,744	$ 1,663,760	$ 3,450,030	$ 1,991,676	$ 19,230,343	$ (9,758,366)	$ (4,537,925)	$ (4,022,861)	$ (1,501,029)	$ 376,537
Debt Service as a Percentage of Noncapital Expenditures	8.5%	6.6%	6.5%	5.6%	31.3%	14.5%	11.8%	6.9%	8.8%	8.8%

NOTES:

Amounts presented for fiscal years 2004-2007 have been restated for the effects of prior period adjustments recorded in fiscal year 2006.

The increase in debt service as a percentage of noncapital expenditures increase in fiscal year 2009 is due to the repayment of the construction loan related to Wright Army Airfield.

Liberty County, Georgia
Assessed and Actual Value of Taxable Property (in thousands) (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Tax Digest Year	Real Property			Motor Vehicle	Motor Homes	Other Personal Property (1)	Less: Exempt Real Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
		Residential	Utility Industrial and Commercial	Agricultural								
2005	2004	$ 458,250	$ 148,805	$ 44,242	$ 71,238	$ 21,145	$ 105,525	$ 65,628	$ 783,577	$ 1,958,943	40.00%	13.279
2006	2005	488,563	156,233	37,352	71,261	18,576	110,954	73,763	809,176	2,022,940	40.00%	13.230
2007	2006	533,756	158,726	37,336	71,515	18,505	135,566	82,189	873,215	2,183,038	40.00%	12.684
2008	2007	609,038	285,253	35,473	71,790	14,968	13,129	98,798	930,853	2,327,133	40.00%	12.684
2009	2008	716,353	267,759	51,848	86,750	15,348	157,069	87,096	1,208,031	3,020,078	40.00%	11.980
2010	2009	798,319	316,708	51,694	91,944	15,314	165,519	135,859	1,303,639	3,259,098	40.00%	11.980
2011	2010	800,341	376,430	61,155	84,359	13,632	185,194	198,231	1,322,880	3,307,200	40.00%	11.980
2012	2011	762,729	483,986	54,034	93,513	11,562	194,688	255,123	1,345,389	3,363,473	40.00%	11.980
2013	2012	763,719	417,598	36,870	94,477	9,885	39,549	183,675	1,178,423	2,946,058	40.00%	12.580
2014	2013	777,344	430,321	33,228	98,018	9,885	62,786	262,221	1,149,361	2,873,403	40.00%	12.580

SOURCE:

Georgia Department of Revenue Property Tax Division Consolidation Summary

NOTES:

The County assesses property at 40 percent of actual value. Actual taxable value is calculated by dividing assessed value by 40 percent.

(1) Includes timber at 100%

Liberty County, Georgia
Property Tax Rates (Unaudited)
Last Ten Tax Digest Years

Fiscal Year	Tax Digest Year	County Direct Rate	Overlapping Rates (1)				Total Direct and Overlapping Rates
		Liberty County General Fund	Board of Education	Hospital Authority	Industrial Authority	State of Georgia	
2005	2004	13.279	16.000	2.000	2.000	0.250	33.529
2006	2005	13.230	16.000	2.000	2.000	0.250	33.480
2007	2006	12.684	16.000	1.917	2.000	0.250	32.851
2008	2007	12.684	15.600	3.000	2.000	0.250	33.534
2009	2008	11.980	15.600	3.100	2.000	0.250	32.930
2010	2009	11.980	15.600	3.100	2.000	0.250	32.930
2011	2010	11.980	15.500	3.100	2.000	0.250	32.830
2012	2011	12.580	15.500	3.250	2.000	0.250	33.580
2013	2012	12.580	15.500	3.250	2.000	0.250	33.580
2014	2013	12.580	15.880	3.250	2.000	0.150	33.860

SOURCE:

Office of the Liberty County Tax Commissioner

NOTES:

(1) Overlapping rates are those of the local governments that apply to property owners within Liberty County, Georgia.

Liberty County, Georgia
Principal Property Taxpayers (Unaudited)
Current Year and Nine Years Ago

	2014			2004		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Chemtall, Inc.	$ 46,636,170	1	3.96%	$ 20,279,893	1	3.14%
Hugo Boss Distribution Center	23,998,708	2	2.04%			
Georgia Power Company	18,036,396	3	1.53%	10,621,896	4	1.65%
Interstate Paper LLC	15,573,395	4	1.32%	10,988,878	3	1.70%
Coastal EMC	9,862,197	5	0.84%	6,590,946	6	1.02%
Magnolia Enterprises	9,330,058	6	0.79%			
ICG SA c/o Chemtall	5,839,684	7	0.50%			
Canoochee	5,792,034	8	0.49%			
Liberty Independence Associates	5,623,132	9	0.48%			
Fort Stewart LLC	4,803,330	10	0.41%			
Coastal Communications				16,785,569	2	2.60%
NCF Manufacturing, Inc.				8,502,215	5	1.32%
BIO Flocryl				6,572,302	7	1.02%
HYSIL Manufacturing, Inc.				5,585,402	8	0.87%
Sustainable Forests LLC (IP)				5,215,337	9	0.81%
CSX Transportation				4,891,196	10	0.76%
Total	145,495,104		12.35%	96,033,634		14.89%
All other	1,032,927,896			548,835,366		
Total taxable assessed value	$ 1,178,423,000			$ 644,869,000		

SOURCE:
Office of the Liberty County Tax Commissioner

NOTES:
The above information is based on the tax digest year

Liberty County, Georgia
Property Tax Levies and Collections (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Tax Digest Year	Taxes Levied (Original Levy)	Errors Releases and Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Adjusted Levy		Amount	Percentage of Adjusted Levy
2005	2004	$ 8,917,773	$ (119,135)	$ 8,798,638	$ 8,264,746	93.93%	$ 502,471	$ 8,767,217	99.64%
2006	2005	9,627,107	(160,212)	9,466,895	8,805,592	93.01%	629,999	9,435,591	99.67%
2007	2006	9,997,045	(176,002)	9,821,043	9,217,728	93.86%	569,876	9,787,604	99.66%
2008	2007	11,306,496	(485,178)	10,821,318	9,972,123	92.15%	780,439	10,752,562	99.36%
2009	2008	11,544,563	(125,624)	11,418,939	10,573,398	92.60%	745,966	11,319,364	99.13%
2010	2009	12,295,875	(42,072)	12,253,803	11,076,008	90.39%	1,049,447	12,125,455	98.95%
2011	2010	12,311,840	(296,295)	12,015,545	11,124,026	92.58%	746,294	11,870,320	98.79%
2012	2011	12,297,835	(34,877)	12,262,958	11,371,974	92.73%	744,678	12,116,652	98.81%
2013	2012	12,476,013	-	12,476,013	11,770,084	94.34%	397,462	12,167,546	97.53%
2014	2013	12,717,369	(39,491)	12,677,878	12,017,348	94.79%	-	12,017,348	94.79%

SOURCE:
Office of the Liberty County Tax Commissioner

NOTES:
(1) The County conducted a re-evaluation in tax year 2003. The re-evaluation was not completed in time to send out the 2003 tax bills using the re-evaluated values. The County billed tax payers based on the 2002 property values and when the re-evaluation was complete property values were adjusted to reflect the re-evaluated val

Liberty County, Georgia
Ratios of Outstanding Debt by Type (Unaudited)
Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities				
Fiscal Year	General Obligation Sales Tax Bonds	Contractual Obligations	Capital Leases	Notes Payable	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2005	$ 4,405,545	$ 1,760,000	$ 308,136	$ -	$ 943,829	$ 10,419	$ 7,427,929	0.22%	129
2006	3,350,000	1,640,000	486,814	15,500	642,535	-	6,134,849	0.34%	104
2007	2,285,000	1,455,000	301,888	2,886,856	335,000	-	7,263,744	0.50%	116
2008	1,130,000	1,265,000	656,104	6,624,905	-	-	9,676,009	0.63%	160
2009	-	26,855,000	814,211	2,706,208	-	-	30,375,419	1.81%	519
2010	-	25,950,000	606,758	1,311,169	-	-	27,867,927	1.63%	448
2011	-	29,665,020	427,469	719,211	-	84,814	30,896,514	1.69%	487
2012	-	28,702,681	345,318	487,081	-	74,353	29,609,433	1.50%	452
2013	-	27,600,404	483,832	247,404	-	377,435	28,709,075	1.46%	448
2014	-	26,464,830	261,572	-	1,040,000	295,315	28,061,717	**	**

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

See the Schedule of Demographic and Economic Statistics for personal income and population data.
These ratios are calculated using personal income and population for the prior calendar year.

** Information not yet available.

Liberty County, Georgia
Ratios of General Bonded Debt Outstanding (Unaudited)
Last Ten Fiscal Years

Fiscal Year	General Obligation Sales Tax Bonds	Contractual Obligations	Total	Percentage of Actual Taxable Value of Property	Per Capita
2005	$ 4,405,545	$ 1,760,000	$ 6,165,545	0.76%	107
2006	3,350,000	1,640,000	4,990,000	0.57%	85
2007	2,285,000	1,455,000	3,740,000	0.40%	60
2008	1,130,000	1,265,000	2,395,000	0.20%	40
2009	-	26,855,000	26,855,000	2.06%	459
2010	-	25,950,000	25,950,000	1.96%	417
2011	-	29,665,020	29,665,020	2.20%	468
2012	-	28,702,681	28,702,681	2.44%	439
2013	-	27,600,404	27,600,404	2.30%	430
2014	-	26,464,830	26,464,830	0.92%	**

NOTES:

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

See the Schedule of Demographic and Economic Statistics for population data.

See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

** Information not yet available.

Liberty County, Georgia
Direct and Overlapping Governmental Activities Debt (Unaudited)
As of June 30, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable[(1)]	Estimated Share of Direct and Overlapping Debt
Overlapping debt:			
City of Hinesville	$ 7,285,000	100%	$ 7,285,000
Liberty County Development Authority	25,822,710	100%	25,822,710
Total overlapping debt			33,107,710
Direct debt:			
Public Facilities Authority Bonds, 2008 Series-A			2,880,000
Public Facilities Authority Bonds, 2008 Series-B			1,390,000
Public Facilities Authority Bonds, 2009 Series			17,860,000
Liberty County Projects Corporation, 2001 Series			4,452,760
Total direct debt			26,582,760
Total direct and overlapping debt			$ 59,690,470

NOTES:

(1) Entities are situated entirely within the geographic boundaries of the County.

Liberty County, Georgia
Legal Debt Margin Information (in thousands) (Unaudited)
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
LEGAL DEBT MARGIN										
Debt limit	$ 84,921	$ 88,294	$ 95,540	$ 102,965	$ 129,513	$ 143,950	$ 152,111	$ 160,051	$ 136,210	$ 141,158
Total net debt applicable	1,760	1,640	1,455	1,265	26,855	25,950	29,665	28,703	27,600	26,465
Legal debt margin	$ 83,161	$ 86,654	$ 94,085	$ 101,700	$ 102,658	$ 118,000	$ 122,446	$ 131,348	$ 108,610	$ 114,693
Total net debt applicable to the limit as a percentage of debt limit	2.07%	1.86%	1.52%	1.23%	20.74%	18.03%	19.50%	17.93%	20.26%	18.75%
LEGAL DEBT MARGIN CALCULATION										
Assessed value	$ 783,577	$ 809,176	$ 873,215	$ 930,853	$ 1,208,031	$ 1,303,639	$ 1,322,880	$ 1,345,389	$ 1,178,423	$ 1,149,361
Add back: exempt property	65,628	73,763	82,189	98,798	87,096	135,859	198,231	255,123	183,675	262,221
Total assessed value	849,205	882,939	955,404	1,029,651	1,295,127	1,439,498	1,521,111	1,600,512	1,362,098	1,411,582
Debt limit (10% of total assessed value)	84,921	88,294	95,540	102,965	129,513	143,950	152,111	160,051	136,210	141,158
Debt applicable to limit Contractual obligations debt	1,760	1,640	1,455	1,265	26,855	25,950	29,665	28,703	27,600	26,465
Total net debt applicable to limit	1,760	1,640	1,455	1,265	26,855	25,950	29,665	28,703	27,600	26,465
Legal debt margin	$ 83,161	$ 86,654	$ 94,085	$ 101,700	$ 102,658	$ 118,000	$ 122,446	$ 131,348	$ 108,610	$ 114,693

NOTES:

Under State of Georgia law, Liberty County's outstanding general obligation debt should not exceed 10 percent of total assessed property value.

The legal debt margin is the difference between the debt limit and the County's net general obligation debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

Liberty County, Georgia
Pledged-Revenue Coverage (in thousands) (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Water System Bonds: Gross Revenues [1]	Direct Operating Expenses [1]	Net Revenue Available for Debt Service [1]	Debt Service Requirements [2] Principal	Interest	Total	Coverage
2005	$ -	$ -	$ -	$ -	$ -	$ -	N/A
2006	-	-	-	-	-	-	N/A
2007	-	-	-	-	-	-	N/A
2008	-	-	-	-	-	-	N/A
2009	-	-	-	-	-	-	N/A
2010	-	-	-	-	-	-	N/A
2011	-	-	-	-	-	-	N/A
2012	-	-	-	-	-	-	N/A
2013	-	-	-	-	-	-	N/A
2014	-	-	-	-	-	-	N/A

NOTES:

[1] As of June 30, 2014, the City's Water System was not yet in operation, accordingly, no gross revenues or direct operating expenses have been recorded above.

[2] Scheduled repayment of principal and interest does not begin until FY 2016.

Liberty County, Georgia
Demographic and Economic Statistics (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (millions) (2)	Per Capita Personal Income	Median Age (1)	Unemployment Rate (3)	School Enrollment (4)	
						Private	Public
2005	57,544	$ 1,638	$ 28,465	25	5.40%	430	11,500
2006	58,925	1,818	30,853	25	7.00%	546	11,052
2007	62,571	1,464	24,216	25	6.50%	513	10,853
2008	60,503	1,531	25,342	25	6.60%	410	11,051
2009	58,491	1,680	27,020	27	8.50%	460	10,356
2010	62,186	1,711	27,263	27	8.50%	506	10,537
2011	63,453	1,829	27,940	27	9.20%	400	10,511
2012	65,451	1,971	30,111	27	9.60%	398	10,179
2013	64,135	1,973	30,756	27	9.80%	450	10,176
2014	**	**	**	**	8.9 (Sept)	286	9,988

(1) U.S. Bureau of the Census
(2) Bureau of Economic Analysis (BEA): Regional Economic Accounts
(3) Georgia Department of Labor
(4) Liberty County Board of Education
** Information not yet available.

Liberty County, Georgia
Principal Employers (Unaudited)
Current Year and Nine Years Ago

	2014			2004		
Employer (1)	Number of Employees (1)	Rank	Percentage of Total County Employment (2)	Number of Employees (3)	Rank	Percentage Of Total County Employment
Fort Stewart Civilian Employees	3,380	1	14.95%	2,298	1	11.48%
Liberty County Board of Educatic	1,889	2	8.35%	1,675	2	8.37%
SNF, Chemtall Inc.	1,300	3	5.75%	560	3	2.80%
Liberty Regional Medical Center	537	4	2.38%	340	5	1.70%
WalMart Super Center	535	5	2.37%	575	4	2.87%
Target Regional Distribution Cent	430	6	1.90%	-		
Liberty County Board of Commiss	395	7	1.75%	280	6	1.40%
Interstate Paper Corporation	210	8	0.93%	286	8	1.43%
Firth Rixson Forgings, LLC	207	9	0.92%	179		0.89%
City of Hinesville	204	10	0.90%	147	9	0.73%
						1.35%
Totals	9,087		40.19%	6,340		33.02%

SOURCES:
(1) Liberty County Development Authority Information as of 2014
(2) Georgia Department of Labor.

Liberty County, Georgia
Full Time Equivalent County Employees by Function (Unaudited)
Last Ten Fiscal Years

FUNCTION	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Governing Body	7	7	7	7	7	7	7	7	7	7
County Administrator	6	6	6	6	5	5	5	5	5	5
Elections	4	4	5	5	5	4	4	5	5	5
Financial Administration	5	5	5	6	6	6	6	6	6	6
Data processing	3	3	3	4	4	4	4	4	4	4
Tax Commissioner	14	14	14	14	14	13	13	14	14	14
Tax Assessor	15	15	15	18	18	18	18	19	19	19
Government Buildings	12	12	12	12	12	11	11	14	14	14
Records Service Center	3	3	3	3	3	3	3	3	3	3
Financial Administration - SPLC	2	1	1	1	1	1	1	1	1	1
Judicial										
Clerk of Superior Court	17	17	17	17	17	17	17	18	18	18
District Attorneys Office	9	9	12	9	9	9	9	10	10	10
State Court	2	2	2	2	2	2	2	3	3	3
State Court Judge	1	1	1	1	2	2	2	2	2	2
Magistrate Court	5	5	6	6	7	7	7	9	9	9
Probate Court	5	5	5	5	5	5	6	6	6	6
Victim Assistance - State Court	1	1	1	1	1	1	1	1	1	1
Victim Assistance - District Atto	3	3	4	4	4	3	3	3	3	3
Child Support Recovery Unit	34	34	30	29	29	29	29	28	28	28
Public Safety										
Sheriff	33	33	33	36	37	38	39	52	55	56
Vice Control	10	10	10	11	11	11	11	10	10	10
Jail	55	56	56	61	61	62	62	61	61	61
Traffic Control	4	4	4	5	5	6	6	6	7	7
School Resource Officer	1	1	1	1	2	1	1	1	1	1
DARE	1	1	1	1	1	-	-	-	-	-
Walthourville Law Enforcemen	4	4	4	4	-	-	-	-	-	-
Flemington Law Enforcement	1	1	1	1	1	1	1	1	1	1
Coroner	2	2	2	2	2	2	2	2	2	1
Animal Control	6	8	8	5	5	5	5	6	6	6
Emergency Management Agen	3	3	3	3	3	3	3	3	3	3
E911	33	33	33	29	29	25	25	28	28	28
MACE	6	6	6	6	6	5	5	5	4	4

-Continued-

Liberty County, Georgia
Full Time Equivalent County Employees by Function (Unaudited)
Last Ten Fiscal Years

FUNCTION	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Works										
Roads and Walkways	24	23	21	21	22	19	19	18	18	18
Drainage Team	5	5	4	5	5	5	5	5	5	5
Culture and Recreation										
Recreation	21	21	26	26	26	32	32	23	23	23
Health and Welfare										
Mosquito Control	5	5	3	5	5	5	5	2	2	2
Summer Food Service	16	17	17	17	17	17	17	17	17	17
Intergovernmental Programs										
Agricultural Resources	2	5	3	5	5	4	4	4	4	4
Urban Development and Housi	5	1	1	1	1	1	1	-	0	-
Planning and Zoning	6	6	6	6	6	6	6	6	6	6
Solid Waste										
Solid Waste Collection	6	6	9	11	11	11	11	10	10	10
Solid Waste Disposal	7	7	5	5	5	5	5	4	4	4
Recycling	2	2	2	2	2	2	2	2	2	2
Clean and Beautiful	1	1	1	1	1	1	1	1	1	1
Total	407	408	409	420	420	414	416	425	428	428

SOURCE:
County payroll records.

Liberty County, Georgia
Operating Indicators by Function (Unaudited)
Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Tax bills generated	24,251	25,058	25,507	25,507	26,149	26,699	26,883	32,316	32,316	25,458
Building permits issued	560	439	627	335	217	375	350	344	336	411
Judicial										
Clerk of Courts										
Number of civil cases filed	2,121	2,357	2,367	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of criminal cases filed	6,958	6,537	3,419	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Probate Court										
Marriage licenses	1,034	848	1,224	895	1,359	978	1,115	1,216	926	976
Pistol permits	247	394	327	367	899	585	720	646	919	927
Child Support Enforcement Unit										
Average number of active support orders	7,563	7,711	6,446	7,785	6,464	6,674	6,500	6,813	6,900	7,060
Percentage collected	77.1%	77.5%	66.6%	66.6%	65.0%	64.9%	64.9%	64.8%	65.5%	64.8%
Public safety										
Sheriff										
Number of papers served	9,822	8,419	10,185	9,845	8,735	8,760	6,301	6,712	6,229	5,850
Fire										
Emergency responses	1,689	1,569	1,085	1,085	191	3,869	4,167	4,373	1,828	3,465
Culture and recreation										
Parks										
Number of parks	12	12	12	13	13	13	13	13	13	13
Acreage developed	160	160	160	165	165	165	165	165	165	165
Acreage undeveloped	89	89	89	89	89	89	89	89	89	89
Miles of trails	3	3	3	4	4	4	4	4	4	4
Refuse collection										
Refused collected (tons per day)	40,163	41,407	40,759	40,515	40,515	55,115	51,465	52,643	64,273	43,800
Recycle collected tons per day	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.44

SOURCE:
Liberty County Department Heads

NOTES:
n/a - Information not available

Liberty County, Georgia
Capital Assets Statistics by Function (Unaudited)
Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Judicial										
Courthouse	1	1	1	1	1	1	1	2	2	2
Public Safety										
Sheriff										
Stations	3	3	3	3	3	3	3	1	1	1
Patrol units and vehicles	46	46	57	56	56	56	56	60	70	28
Jail	1	1	1	1	1	1	1	1	1	1
Public Works										
Solid Waste										
Collection trucks	5	5	5	9	9	9	9	8	9	9
Highways and streets										
Street lights	-	2	2	2	5	5	5	5	5	5
Culture and recreation										
Number of county parks	12	12	12	13	13	13	13	13	13	13
County parks acreage	249	249	249	254	254	254	254	254	254	254
Baseball/softball fields	12	12	12	12	12	12	12	12	12	12
Football/soccer fields	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	2
Tennis courts	-	-	-	-	-	-	-	-	1	1
Community centers	1	2	2	2	2	2	2	2	2	2
Skate parks	-	-	-	-	-	-	-	1	1	1

SOURCE:
Liberty County Departmental Records



Compliance Section

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

To the Board of Commissioners
Liberty County, Georgia
Hinesville, Georgia

We have audited 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 Liberty County, Georgia, as of and for the year ended June 30, 2014, which collectively comprise Liberty County, Georgia's basic financial statements and have issued our report thereon dated January 22, 2015. We did not audit the financial statements of the Liberty County Board of Health or the Liberty County Hospital Authority. Those financial statements were audited by other auditors whose reports have been furnished to us. 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. The financial statements of the Liberty County Hospital Authority were audited in accordance with auditing standards generally accepted in the United States of America but were not audited in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Liberty County, Georgia, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Liberty County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Liberty County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Liberty County, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2014-1 through 2014-6 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2014-7 to be a significant deficiency.

Compliance and Other Matters

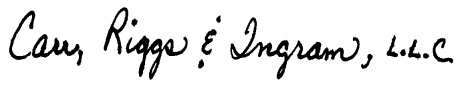
As part of obtaining reasonable assurance about whether Liberty County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2014-6.

Liberty County, Georgia's Responses to Findings

Liberty County Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Liberty County, Georgia's responses and, accordingly, we express no opinion on them.

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.



Carr, Riggs & Ingram, LLC
Certified Public Accountants
January 22, 2015

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
Liberty County, Georgia
Hinesville, Georgia

Report on Compliance for Each Major Federal Program

We have audited Liberty County, Georgia's compliance, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Liberty County, Georgia's major federal programs for the year ended June 30, 2014. Liberty County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Liberty County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal

program occurred. An audit includes examining, on a test basis, evidence about Liberty County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Liberty County, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, Liberty, County, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-8 and 2014-9. Our opinion on each major federal program is not modified with respect to these matters.

Liberty County, Georgia's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Liberty County, Georgia's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Liberty County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Liberty County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Liberty County, Georgia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedules of findings and questioned costs as items 2014-8 and 2014-9.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Certified Public Accountants
January 22, 2015

Federal Grantor, *Pass - Through Grantor* Program Title	CFDA Number	Identification Number	Expenditures
U. S. Department of Agriculture			
Passed through the Georgia Department of Early Care and Learning			
Summer Food Service Program for Children	10.559	S13-8047	$ 51,499
Summer Food Service Program for Children	10.559	S14-8047	41,184
Passed through the Georgia Enviornmental Finance Authority			
Water and Waste Disposal Systems for Rural Communities	10.760	10-089-586002461	955,601
Total U. S. Department of Agriculture			1,048,284
U. S. Department of Housing and Urban Development			
Passed through Georgia Department of Community Affairs			
Community Development Block Grant	14.228	12P-Y-089-1-5512	455,000
Total U. S. Department of Housing and Urban Development			455,000
U. S. Department of Justice			
Passed through the Criminal Justice Coordinating Council			
Drug Court Discretionary Grant Program	16.585	A-13-8-015	2,115
Drug Court Discretionary Grant Program	16.585	J13-8-003	86,752
Drug Court Discretionary Grant Program	16.585	2012-DC-BX-0052	59,154
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-384	9,000
Total U. S. Department of Justice			157,021
U. S. Department of Transportation			
Passed through the Georgia Department of Transportation			
Airport Improvement Program	20.106	T004775/AP013-9019-09(179)	193,338
Passed through Governor's Office of Highway Safety			
State and Community Highway Safety	20.600	GA-2013-000-00400	7,088
State and Community Highway Safety	20.600	GA-2014-000-00278	16,259
Total U. S. Department of Transportation			216,685
U. S. Department of Health and Human Services			
Passed through the Substance Abuse and Mental Health Services Administration			
Substance Abuse and Mental Health Services	93.243	2012-DC-BX-0052	173,414
Passed through Georgia Department of Human Services			
Child Support Enforcement - Title IV D	93.563	42700-401-0000020308	1,624,410
Total U. S. Department of Health and Human Services			1,797,824
U. S. Department of Homeland Security			
Passed through Georgia Emergency Management Agency			
Emergency Management Performance Grant	97.042	OEM13-091	19,036
Emergency Management Performance Grant	97.042	EMW-2011-SS-00081-S01	8,486
Total U. S. Department of Homeland Security			27,522
Total Expenditures of Federal Awards			**$ 3,702,336**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Expenditures of Federal Awards is prepared using the modified accrual basis of accounting.

Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurs.

Program Type Determination

Type A programs are defined as federal programs with federal expenditures exceeding the larger of $300,000 or three percent of total federal expenditures. The threshold of $300,000 was used in distinguishing between Type A and Type B programs.

Method of Major Program Selection

The risk based approach was used in the selection of federal programs to be tested as major programs. The County did not qualify as a low-risk auditee for the year ended June 30, 2014.

NOTE 2: SUBRECIPIENTS

The County had no major programs that provided amounts to subrecipients.

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	[unmodified]
Internal control over financial reporting:	
Material weakness(es) identified?	_X_ Yes ___No
Significant deficiencies identified not considered to be material weaknesses?	_X_ Yes ___None reported
Noncompliance material to financial statements noted?	_X_ Yes ___No

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	___Yes _X_No
Significant deficiencies identified not considered to be material weaknesses?	_X_ Yes ___None reported
Type of auditors' report issued on compliance for major programs:	[unmodified]
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A - 133, Section 510(a)?	_X_ Yes ___No
Identification of major programs:	

Name of Federal Program	CFDA Number
Water and Waste Disposal Systems for Rural Communities	10.760
Community Development Block Grant	14.228
Child Support Enforcement - Title IV D	93.563

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000
Auditee qualified as low-risk auditee?	___Yes _X_No

SECTION II - FINANCIAL STATEMENT FINDINGS AND RESPONSES

Findings noted on the 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*.

Material Weaknesses:

2014 – 1 Segregation of Duties

Criteria: Duties should be segregated between employees so that the responsibility for authorizing transactions, recording transactions and maintaining custody of assets are assigned to different personnel.

Condition: Liberty County, Georgia is a small local government and has a limited amount of resources and employees. Therefore, the County does not have an adequate number of employees to provide for proper segregation of duties.

Cause of Condition: Since the County is a small local government, it is not financially feasible for the County to hire additional employees to provide for an adequate segregation of duties.

Effect of Condition: The County's internal control structure does not contain adequate safeguarding controls provided by segregation of duties that would provide for the prevention or timely detection of unauthorized transactions and unauthorized access to assets that could result in losses that are material to the financial statements.

Recommendation: Duties for authorizing transactions, recording transactions, and maintaining custody of assets should be segregated whenever possible.

Views of Responsible Officials: Management concurs with the finding and is continually working to improve controls whenever economically feasible to mitigate the risks associated with this condition.

2014 – 2 Accounts Receivable Transactions

Criteria: Policies, procedures, and monitoring controls should be in place to provide for the recording of accounts receivable transactions.

Condition: The County's policies and procedures for recording and monitoring accounts receivable did not prevent misstatements in the funds.

Cause of Condition: The County's monitoring controls were not implemented.

[Continued]

SECTION II - FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

Findings noted on the 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*.

Material Weaknesses (Continued):

2014 – 2 Accounts Receivable Transactions (Continued)

Effect of Condition: Accounts receivable for property taxes and solid waste assessments were not adjusted in the general solid waste funds.

Recommendation: Controls for reconciling and recording accounts receivable should be reviewed and implemented.

Views of Responsible Officials: Management concurs with this finding and is developing additional policies, procedures, and monitoring activities over accounts receivable.

2014 – 3 Interfund Accounts Transactions

Criteria: Policies, procedures, and monitoring controls should be in place to provide for the recording of interfund accounts transactions.

Condition: The County's policies and procedures for recording and monitoring interfund accounts did not prevent misstatements in the funds.

Cause of Condition: The County's monitoring controls were not implemented.

Effect of Condition: Interfund accounts were not reconciled and adjusted in the funds.

Recommendation: Controls for reconciling and recording interfund accounts should be reviewed and implemented.

Views of Responsible Officials: Management concurs with this finding and is developing additional policies, procedures, and monitoring activities over interfund accounts.

2014 - 4 Classification of Grant and Long-Term Debt Transactions

Criteria: Policies, procedures, and monitoring controls should be in place to provide to ensure the proper classification of outside financing received by the County.

Condition: The County's policies and procedures for classifying outside financing received between long-term debt and grant proceeds did not prevent misclassifications of amounts in the Water System Fund.

[Continued]

SECTION II - FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

Findings noted on the 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*.

Material Weaknesses (Continued):

2014 – 4 Classification of Grant and Long-Term Debt Transactions (Continued)

Cause of Condition: The County's controls for classifying and recording transactions were not implemented.

Effect of Condition: Certain grant revenues received for financing the construction of the County's Water System were improperly booked as long-term debt in the Water System Fund.

Recommendation: Controls for identifying, classifying, and recording deposits received by the County should be reviewed and implemented.

Views of Responsible Officials: Management concurs with this finding and is developing additional policies, procedures, and monitoring activities to ensure that all receipts of the County are properly classified going forward.

2014 – 5 Recording of Special Revenue Fund Activity

Criteria: Policies, procedures, and monitoring controls should be in place to provide for the recording of all transactions in each special revenue fund.

Condition: Certain transactions within the County's Special Revenue Funds were not captured and recorded by the County.

Cause of Condition: The County does not have sufficient procedures and controls in place to ensure that the entirety of its Special Revenue Funds' yearly transactions are appropriately captured and recorded.

Effect of Condition: Certain transaction activity within the Special Revenue Funds was not properly captured and recorded by the County.

Recommendation: Processes and controls for identifying and recording all activity in the Special Revenue Funds should be drawn up and implemented.

Views of Responsible Officials: Management concurs with this finding and is developing policies, procedures, and monitoring activities to ensure that all activity within the County's Special Revenue Funds is appropriately captured.

[Continued]

SECTION II - FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

Findings noted on the 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*.

Material Weaknesses (Continued):

2014 – 6 Special Revenue Fund Budgets

Criteria: State statues require an annual balanced budget for each special revenue fund.

Condition: The County's policies and procedures for budget administration did not prevent formal budgets not being adopted for the Liberty County Projects Corporation Fund, the Law Library Fund, the Confiscated Assets Fund, the Jail Fund, the DARE Fund, the Jail Commissary Fund, and the Technology Fund.

Cause of Condition: The County's monitoring controls were not implemented as a result of these funds being managed outside of the Finance Department in separate locations.

Effect of Condition: The County is not in compliance with state law by not adopting budgets for all special revenue funds.

Recommendation: Controls for budget administration should be reviewed and implemented.

Views of Responsible Officials: Management concurs with this finding and is continuing to work toward developing additional policies, procedures, and monitoring activities over budget administration.

Significant Deficiencies:

2014 – 7 Information Technology

Criteria: A formal, written set of information technology (IT) policies and procedures should be in place to outline the County's strategic IT plan, approach to IT risk assessment, and the internal control policies and procedures in place to protect the security and integrity of the County's network and data.

Condition: There is no such written document in place at the County. The County has no formal strategic plan or process for IT risk assessment, and lacks a formal policy on certain key internal control processes.

Cause of Condition: IT planning, risk assessment, and internal controls procedures have not been either developed, formally adopted, or documented by the County.

[Continued]

SECTION II - FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

Findings noted on the 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*.

Significant Deficiencies (Continued):

2014 – 7 Information Technology (Continued)

Effect of Condition: The lack of the above mentioned information technology policies and controls makes the County's data and network susceptible to attacks, loss, and other risks.

Recommendation: The County should review its existing policies and procedures for IT internal controls, develop formal policies and procedures for IT planning and risk assessment, and further enhance the internal controls surrounding its network and data. All policies and procedures should be documented in a formal, written IT policy manual.

Views of Responsible Officials: Management concurs and will work to ensure that additional IT policies and procedures are created and documented to enhance the controls surrounding the County's network and data.

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR AWARDS PROGRAM AUDIT

Findings noted on the Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance With *OMB Circular A-133*.

Significant Deficiencies:

2014 - 8 U.S. Department of Agriculture CFDA# 10.760
Water and Waste Disposal Systems for Rural Communities

Criteria: The U.S. Department of Agriculture requires recipients of federal funds to support periodic reimbursement requests with appropriate supporting documentation.

Condition: It was noted on certain reimbursement requests that supporting documentation did not agree to actual amounts requested for reimbursement.

Cause of Condition: The County did not have procedures in place to ensure that all supporting documentation agreed to reimbursement requests submitted to the Grantor.

Effect of Condition: Reimbursement requests and related supporting documentation discrepancies in the amount of $3,580 were noted.

[Continued]

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR AWARDS PROGRAM AUDIT (CONTINUED)

Findings noted on the Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance With *OMB Circular A-133*.

Significant Deficiencies (Continued):

2014 - 8 U.S. Department of Agriculture CFDA# 10.760
Water and Waste Disposal Systems for Rural Communities (Continued)

Effect of Condition: Reimbursement requests and related supporting documentation in the amount of $3,580 were noted.

Recommendation: We recommend the County strengthen internal controls to ensure that reimbursement requests are appropriately agreed to supporting documentation.

Views of Responsible Officials: Management concurs with this finding. Internal Controls will be strengthened to ensure that all reimbursement requests and related supporting documentation agree in the future.

2014 - 9 U.S. Department of Health and Human Services CFDA# 93.563
Child Support Enforcement - Title IV D Award Year: 2013-2014

Criteria: The U.S. Department of Health and Human Services requires recipients of federal funds to obtain prior approval before expending funds in excess of original budged lined item amounts.

Condition: The County did not obtain prior approval before expending funds in excess of original budged lined item amounts.

Cause of Condition: The County did not have procedures in place to ensure that required grant provisions regarding the overrun of budget line items were followed.

Effect of Condition: The County was not in compliance with the requirements set forth in the grant agreement.

Recommendation: We recommend the County strengthen internal controls for monitoring the status of budget line items for ensuring that appropriate approvals are obtained before expending amounts in excess of individual budgeted line items.

Views of Responsible Officials: Management concurs with this finding. Internal Controls will be strengthened to ensure that required approvals to expend amounts in excess of individual line items are obtained in advance.

SECTION II - FINANCIAL STATEMENT FINDINGS AND RESPONSES

Findings noted on the 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*.

Material Weaknesses:

2013 – 1 Segregation of Duties

Criteria: Duties should be segregated between employees so that the responsibility for authorizing transactions, recording transactions and maintaining custody of assets are assigned to different personnel.

Condition: Liberty County, Georgia is a small local government and has a limited amount of resources and employees. Therefore, the County does not have an adequate number of employees to provide for proper segregation of duties.

Status: Unresolved. See finding 2014 – 1.

Significant Deficiencies:

2013 – 2 Accounts Receivable Transactions

Criteria: Policies, procedures, and monitoring controls should be in place to provide for the recording of accounts receivable transactions.

Condition: The County's policies and procedures for recording and monitoring accounts receivable did not prevent misstatements in the funds.

Status: Unresolved. See finding 2014 – 2.

2013 – 3 Interfund Accounts Transactions

Criteria: Policies, procedures, and monitoring controls should be in place to provide for the recording of interfund accounts transactions.

Condition: The County's policies and procedures for recording and monitoring interfund accounts did not prevent misstatements in the funds.

Status: Unresolved. See finding 2014 – 3.

[Continued]

SECTION II - FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

Findings noted on the 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*.

Significant Deficiencies (Continued):

2013 - 4 Long-Term Debt Transactions

Criteria: Policies, procedures, and monitoring controls should be in place to provide for the recording of transactions to long-term debt.

Condition: The County's policies and procedures for recording and monitoring long-term debt did not prevent misstatements in the funds.

Status: While the County did not fail to record all of its long-term debt transactions for the year in the current year, it actually overstated long-term debt by improperly classifying grant receipts as long-term debt. See finding 2014 – 4.

2013 - 5 Capital Assets

Criteria: Policies, procedures, and monitoring controls should be in place to provide for the recording of transactions to capital assets.

Condition: The County's policies and procedures for recording and monitoring capital assets did not prevent misstatements in the funds.

Status: Resolved.

2013 - 6 Special Revenue Fund Budgets

Criteria: State statues require an annual balanced budget for each special revenue fund.

Condition: The County's policies and procedures for budget administration did not prevent formal budgets not being adopted for the Law Library Fund, the Confiscated Asset Fund, the Jail Commissary Fund, the Hotel/Motel Fund and the Technology Fund.

Status: Unresolved. While the County did adopt a FY 2014 budget for the Hotel/Motel Fund, no budget was adopted for the remaining funds listed above, or for the Liberty County Projects Corporation Fund, the Jail Fund, and the DARE Fund. See finding 2014 – 6.

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR AWARDS PROGRAM AUDIT

Findings noted on the Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With *OMB Circular A-133*.

None reported.

Liberty County, Georgia
Schedule of Special Purpose Local Option
Sales Tax Expenditures – #2 Issue
For the Year Ended June 30, 2014

	Estimated Cost		Cost		
Project	**Original**	**Current**	**Prior Years**	**Current Year**	**Total**
Roads and drainage	$ 9,416,000	$ 12,890,753	$ 12,952,534	$ -	$ 12,952,534
Hospital	4,173,000	3,287,139	3,289,963	-	3,289,963
Multi-purpose building	2,577,630	1,917,723	1,917,723	-	1,917,723
Recreation	1,142,370	878,403	985,525	15,362	1,000,887
Fire protection	802,500	582,845	582,845	-	582,845
Jail	535,000	1,572,600	1,214,754	-	1,214,754
Management	-	930,204	939,411	-	939,411
Debt service on sales tax bonds	-	3,441,148	3,441,148	-	3,441,148
Total	$ 18,646,500	$ 25,500,815	$ 25,323,903	$ 15,362	$ 25,339,265

Liberty County, Georgia
Schedule of Special Purpose Local Option
Sales Tax Expenditures – 1999 Issue
For the Year Ended June 30, 2014

	Estimated Cost		Cost		
Project	**Original**	**Current**	**Prior Years**	**Current Year**	**Total**
Roads and drainage	$ 13,018,000	$ 14,404,000	$ 14,343,380	$ 230,989	$ 14,574,369
Recreation	2,001,000	2,132,000	2,617,044	-	2,617,044
Fire protection	1,104,000	1,118,000	1,155,834	-	1,155,834
Technical school	2,691,000	2,912,000	2,547,085	-	2,547,085
Jail expansion	2,001,000	2,106,000	2,702,253	-	2,702,253
Court facility	1,196,000	1,196,000	1,185,574	-	1,185,574
Records retention	989,000	1,066,000	1,059,023	-	1,059,023
Management	-	1,066,000	1,236,193	6,616	1,242,809
Debt service	-	616,893	616,893	-	616,893
Total	$ 23,000,000	$ 26,616,893	$ 27,463,279	$ 237,605	$ 27,700,884

Liberty County, Georgia
Schedule of Special Purpose Local Option
Sales Tax Expenditures – 2004 Issue
For the Year Ended June 30, 2014

	Estimated Cost		Cost		
Project	**Original**	**Current**	**Prior Years**	**Current Year**	**Total**
Road, streets, bridges and draina	$ 16,750,000	$ 16,040,700	$ 15,637,774	$ 1,849,073	$ 17,486,847
Other capital outlay projects:	22,250,000				
Courthouse facility	-	6,727,500	6,686,226	-	6,686,226
Jail expansion	-	6,318,000	5,097,139	-	5,097,139
Fire protection	-	1,076,400	972,504	-	972,504
Emergency 911 center	-	1,345,500	1,589,037	-	1,589,037
Recreation	-	2,016,300	2,102,627	1,514	2,104,141
Water and sewer	-	335,400	-	-	-
Liberty annex east end	-	670,800	-	-	-
Hinesville public works expans	-	713,700	580,046	-	580,046
Hinesville city hall expansion	-	495,300	173,545	-	173,545
Tech school expansion	-	269,100	264,821	-	264,821
Historical cultural facility	-	335,400	-	100,859	100,859
Management	-	1,345,000	2,662,156	56,895	2,719,051
Wright Army Airfield	-	1,345,500	943,494	-	943,494
Debt service	-	1,875,000	6,842,450	-	6,842,450
Total	39,000,000	40,909,600	43,551,819	2,008,341	45,560,160

Liberty County, Georgia
Schedule of Special Purpose Local Option
Sales Tax Expenditures – 2009 Issue
For the Year Ended June 30, 2014

	Estimated Cost		Cost		
Project	Original	Current	Prior Years	Current Year	Total
Justice Center	$ 8,000,000	$ 8,000,000	$ 19,084,493*	$ -	$ -
Library	5,000,000	5,000,000	4,200	213,300	217,500
Roads	14,930,000	14,930,000	2,746,029	1,039,271	3,785,300
Drainage	2,000,000	2,000,000	1,069,553	221,683	1,291,236
Courthouse renovations	1,000,000	1,000,000	1,947,351	10,316	1,957,667
Fire protection	2,000,000	2,000,000	1,738,252	35,969	1,774,221
Jail	1,000,000	1,000,000	94,368	36,178	130,546
Records retention center	1,000,000	1,000,000	580,006*	-	-
Liberty annex east end	3,320,000	3,320,000	3,687,341	900,524	4,587,865
Recreation	3,000,000	3,000,000	632,529	215,219	847,748
Hospital improvements	750,000	750,000	-	-	-
Public safety equipment	500,000	500,000	933,938	112,839	1,046,777
Animal control	1,000,000	1,000,000	3,028	3,130	6,158
Interoperable communication system	1,000,000	1,000,000	1,252,121	-	1,252,121
Wright Army Airfield	1,000,000	1,000,000	-	-	-
Administration	2,000,000	2,000,000	2,705,769	216,041	2,921,810
City of Hinesville projects	4,000,000	4,000,000	2,668,969	914,929	3,583,898
Debt service	22,800,000	22,890,448	9,145,898	1,847,237	10,993,135
Total	$ 74,300,000	$ 74,390,448	$ 48,293,845	$ 5,766,636	$ 34,395,982

*Prior accumulated cost has been changed as a result of a restatement to correct an error. See note 1.