LONG COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

LONG COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Long County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Long County, Georgia (County), as of and for the year ended June 30, 2014, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Long County Board of Health D/B/A Long County Public Health Center, which represent 100% of the assets, net position and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Long County Board of Health D/B/A Long County Public Health Center is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 County'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 County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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 the County, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 20-23 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.

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The other supplementary information, fund schedules and state mandated program information, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 1, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

KRT, CPAs P.C.

KRT, CPAs P.C.

Savannah, Georgia
April 1, 2015

LONG COUNTY, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2014

	Primary Government	Component Unit
	Governmental Activities	Long County Health Department
ASSETS		
Cash and cash equivalents	$ 3,392,141	$ 123,163
Receivables	793,329	26,044
Due from other governments	151,524	-
Prepaid costs	152,398	-
Capital assets:		
Land, improvements, and construction in progress	858,324	-
Other capital assets, net of depreciation	7,875,481	-
Total assets	13,223,197	149,207
LIABILITIES		
Accounts payable and accrued expenses	1,050,777	727
Intergovernmental payable	34,597	12,097
Unearned revenue	233,613	-
Long-term liabilities:		
Due within one year	204,352	3,344
Due in more than one year	839,220	13,374
Total liabilities	2,362,559	29,542
NET POSITION		
Net investment in capital assets	7,690,233	-
Restricted for:		
Judicial	10,694	-
Public Safety	129,202	-
Capital projects	561,747	-
Prior year program income	-	86,825
Unrestricted	2,468,762	32,840
Total net position	$ 10,860,638	$ 119,665

The notes to the financial statements are an integral part of this statement.

LONG COUNTY, GEORGIA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit: Long County Health Department
Primary Government:						
Governmental activities:						
General government	$ 1,875,563	$ 223,390	$ 109,528	$ -	$ (1,542,645)	
Judicial	783,974	29,159	1,740	-	(753,075)	
Public safety	3,205,581	884,676	159,050	8,247	(2,153,608)	
Public works	2,425,378	495,567	-	445,024	(1,484,787)	
Health and welfare	677,762	22,151	305,516	-	(350,095)	
Culture and recreation	373,801	51,285	50	414	(322,052)	
Housing and development	282,046	92,302	-	-	(189,744)	
Interest on long-term debt	35,638	-	-	-	(35,638)	
Total governmental activities	9,659,743	1,798,530	575,884	453,685	(6,831,644)	
Total primary government	9,659,743	1,798,530	575,884	453,685	(6,831,644)	
Component Unit						
Long County Health Department	$ 394,721	$ 146,062	$ 173,923	$ -		(74,736)
General revenues:						
Taxes:						
General property taxes					4,869,312	-
General sales and use taxes					318,648	-
Special purpose local option sales tax					690,373	-
Business taxes					599,140	-
Selective sales and use taxes					23,412	-
Grants and contributions not restricted to specific programs:						
Program income					-	73,402
Unrestricted investment earnings					5,248	-
Gain on disposition of capital assets					34,129	-
Miscellaneous					12,693	-
Total general revenues and transfers					6,552,955	73,402
Change in net position					(278,689)	(1,334)
Net position - beginning					11,139,327	120,999
Net position - ending					$ 10,860,638	$ 119,665

The notes to the financial statements are an integral part of this statement.

LONG COUNTY, GEORGIA

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2014

	General	E911	SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 2,268,866	$ 101,498	$ 796,371	$ 225,406	$ 3,392,141
Receivables, net	748,720	39,109	-	5,500	793,329
Due from other governments	112,869	-	38,655	-	151,524
Due from other funds	-	133,380	-	-	133,380
Prepaid items	152,398	-	-	-	152,398
Total assets	$ 3,282,853	$ 273,987	$ 835,026	$ 230,906	$ 4,622,772
LIABILITIES					
Accounts payable	$ 707,334	$ 218,727	$ 5,069	$ -	$ 931,130
Accrued payroll liabilities	119,647	-	-	-	119,647
Intergovernmental payable	-	-	34,597	-	34,597
Unearned revenue	-	-	233,613	-	233,613
Due to other funds	133,380	-	-	-	133,380
Total liabilities	960,361	-	273,279	-	1,452,367
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	615,819	-		-	615,819
FUND BALANCES					
Nonspendable					
Prepaid items	152,398	-	-	-	152,398
Restricted					
Judicial	-	-		10,694	10,694
Public safety	-	55,260		73,942	129,202
Capital projects	-	-	561,747	-	561,747
Assigned					
Economic development	-	-	-	146,270	146,270
Unassigned	1,554,275	-	-	-	1,554,275
Total fund balances	1,706,673	55,260	561,747	230,906	2,554,586
Total fund balances, deferred inflows of resources, and fund balances	$ 3,282,853	$ 273,987	$ 835,026	$ 230,906	$ 4,622,772

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	$ 2,554,586
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds (net of accumulated depreciation of $5,111,072)	8,733,805
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	615,819
Long-term and related liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet:	
Long-term obligations	(1,043,572)
Net position of governmental activities	$ 10,860,638

The notes to the financial statements are an integral part of this statement.

LONG COUNTY, GEORGIA

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2014

	General	E911	SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 5,806,515	$ -	$ 690,373	$ -	$ 6,496,888
Licenses and permits	148,154	-	-	-	148,154
Intergovernmental	786,044	-	238,528	-	1,024,572
Charges for services	644,670	195,468	-	-	840,138
Fines and forfeitures	625,082	-	-	64,392	689,474
Investment	4,939	-	1,659	309	6,907
Contributions and donations	3,338	-	-	-	3,338
Miscellaneous	127,957	-	-	5,500	133,457
Total revenues	8,146,699	195,468	930,560	70,201	9,342,928
EXPENDITURES					
Current:					
General government	1,858,681	-	-	-	1,858,681
Judicial	774,626	-	-	7,179	781,805
Public safety	2,694,873	246,208	-	84,084	3,025,165
Public works	2,011,710	-	-	-	2,011,710
Health and welfare	669,916	-	-	-	669,916
Culture and recreation	228,240	-	-	-	228,240
Housing and development	290,194	-	-	3,651	293,845
Capital Outlay	-	-	439,385	-	439,385
Debt Service:					
Principal	17,636	-	252,774	-	270,410
Interest and other charges	3,308	-	32,330	-	35,638
Intergovernmental assistance	-	-	107,535		107,535
Total expenditures	8,549,184	246,208	832,024	94,914	9,722,330
Excess (deficiency) of revenues over (under) expenditures	(402,485)	(50,740)	98,536	(24,713)	(379,402)
OTHER FINANCING SOURCES (USES)					
Capital leases	98,788	-	91,083	-	189,871
Transfer in	10,000	106,000	33,786	-	149,786
Transfer out	(139,786)	-	-	(10,000)	(149,786)
Sale of general capital assets	-	-	34,129	-	34,129
Total other financing sources (uses)	(30,998)	106,000	158,998	(10,000)	224,000
Net Changes in fund balances	(433,483)	55,260	257,534	(34,713)	(155,402)
Fund balances at beginning of year	2,140,156	-	304,213	265,619	2,709,988
Fund balances at end of year	$ 1,706,673	$ 55,260	$ 561,747	$ 230,906	$ 2,554,586

The notes to the financial statements are an integral part of this statement.

LONG 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

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		$ (155,402)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlays	$ 654,596	
Depreciation expense	(862,419)	(207,823)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities. This amount is the net effect of these differences in treatment of long-term debt and related items.		
Increase in capital lease and note payable obligations	(189,871)	
Long-term debt retired	270,410	80,539
Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased (decreased) by this amount this year:		
At June 30, 2013	611,822	
At June 30, 2014	615,819	3,997
Change in net position of governmental activities		$ (278,689)

LONG COUNTY, GEORGIA

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2014

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 367,650
Total assets	$ 367,650
LIABILITIES	
Due to others	$ 367,650
Total liabilities	$ 367,650

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-wide and fund financial statements

The government-wide statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all the nonfiduciary activities of the primary government and its component units. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which relay to a significant extent on fees and charges for support. The County does not maintain any business-type activities. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting entity

Long County was incorporated in 1921 under the provisions of the laws of the State of Georgia. The County operates under a Board of Commissioners, which consists of a Chairman and four Commissioners and provides the following services: public safety, highways and streets, public improvements, and general and administrative services. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Discretely presented component units are reported in a separate column of the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Blended component unit – *Long County Development Authority* – included based on funding of budget requirements. This unit is blended into the financial statements as a special revenue fund.

Discretely presented component unit – *Long County Board of Health D/B/A Long County Public Health Center* – The Center provides various health services for citizens in Long County under a contract with the Georgia Department of Human Resources (DHR). The County Commission approves a majority of the board members or the Board of Health and approves the budget for its operations.

Complete financial statements for the Long County Board of Health may be obtained at the following addresses: Long County Board of Health, District Health Director, District 9, Unit 1, 150 Scranton Connector, Brunswick, Georgia 31525-0540.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has one discretely presented component unit. While the Long County Board of Health is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary fund. Separate statements for each fund category – governmental, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

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

The *E911 fund* accounts for all financial resources related to the Enhanced 911 system (E911) that are legally restricted to expenditures for operation of the system.

The *special purpose local option sales tax* (SPLOST) fund is used to account for 1% sales tax proceeds restricted for the acquisition or construction of specific capital projects as authorized by local referendum.

Additionally, the government reports the following fund types:

Special Revenue Fund – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Agency Fund – used to account for, on a temporary basis, amounts collected by the tax commissioner, clerk of court, magistrate court and probate court that ultimately are transferred to the general fund or distributed to others.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide statements are reported using the *flow of economic resources measurement focus* and the *accrual basis of accounting* as are the fiduciary funds. Revenues are recognized 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.

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 sixty (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, franchise fees, licenses and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenue 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 agency funds do not have a measurement focus but utilize the *accrual basis of accounting* for reporting assets and liabilities.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1) Cash and cash equivalents

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

State statutes authorize the County to invest in obligations of the United States Government and agencies or corporations of the United States Government; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC of FSLIC; prime bankers acceptances; repurchase agreements; and Georgia Fund 1. Georgia Fund 1 is managed by the Office of the State Treasurer under Georgia Law (OCGA 36-83-8). The pool operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The fair value of the County's position in the pool is the same as the value of pool shares ($1 per share value). As a public fund, Georgia Fund 1 is exempt from any disclosure of custodial credit risk.

All investments are stated at fair value.

2) Receivables

In the fund financial statements, material receivables include revenue accruals such as property taxes, franchise fees, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements. Accounts receivable includes unpaid sanitation charges. Property taxes and trade receivables are shown net of an allowance for uncollectibles.

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., current portion of interfund loans) or "advances to/from other funds" (i.e., non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

3) *Inventories and prepaid items*

The inventories in the governmental activities consist of supplies and are valued at the lower of weighted average cost or market.

Prepaid balances are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for the subsequent expenditures.

4) *Capital assets*

In the government-wide financial statements, capital assets which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported as assets in the governmental activities statement of net assets. Capital assets, other than infrastructure 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 three years. Infrastructure assets are defined by the County as assets with a cost of more than $100,000. Pursuant to GASB Statement 34, the County has reported infrastructure completed during the year and included construction in progress in its capital assets. Infrastructure completed prior to implementation of GASB 34 has not been reported. As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical costs. The reported value excludes normal maintenance and repairs which are essentially amount spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the County values these capital assets at the estimated fair value of the item on the date of its donation.

Depreciation has been calculated on each class of depreciable property, using the straight-line method. The estimated useful lives are as follows:

Building and improvements.....	20	-	50	years
Public domain infrastructure.....	20	-	35	years
Machinery and equipment.....	5	-	10	years

5) *Long-term obligations*

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities statement of net assets. The capitalized lease obligations are stated at the original fair market value of leased assets capitalized, less payments since the inception of the lease, discounted at the implicit rate of interest in the lease.

6) *Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and franchise fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7) Equity classifications

Equity is classified as net position and displayed in three components in the government-wide financial statements.

Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position consists of all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid costs or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance can only be used for specific purposes pursuant to constraints imposed by formal resolution or ordinances of the County Commission – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the County Commission removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance reflects the amounts constrained by the County's "intent" to be used for a specific purpose, but are neither restricted nor committed. The County Commission and the County Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

At June 30, 2014 the County did not have committed amounts. The County's restricted fund balance consisted of SPLOST resources restricted for capital projects and fines and forfeitures resources restricted for judiciary and public safety purposes. The County's assigned fund balance consisted of resources assigned to economic development.

8) Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

9) Fund balance flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Accordingly, actual results could differ from these estimates.

G. Revenues and Expenditures/Expenses

1) Program revenues

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenue.

2) Property taxes

Property taxes were levied on October 4, 2013 the date the millage rate was set. Property tax bills are mailed on November 4, 2013 and are considered past due on January 21, 2014 at which time the applicable property is subject to lien, and penalties and interest are assessed.

3) Compensated absences

Employees can earn vacation leave at the rate of five days during the first two years of employment; ten days after three through six years of employment; and fifteen days after seven years of employment. Vacation leave may not be carried from one anniversary year to the next. Unused vacation is forfeited. Employee resigning voluntarily and in good standings from county service will be paid for earned, unused vacation leave. Employee dismissed or not resigning in good standing will not be paid for earned, unused vacation leave. The County does not record a liability for vested vacation leave. Expenses are recognized in the financial statements at the time of payment.

Employees can earn sick leave at the rate of five days during the first two years of employment and ten days after two years of service. Ten days is the maximum leave which can be earned per year. Sick leave may be accumulated up to a maximum of sixty days. Unused sick leave will not be paid upon employee's termination. Accumulated sick leave benefits have not been recorded as a liability because these benefits are paid only upon the illness of an employee, and the amount of such payments cannot be reasonably estimated.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Excess Expenditures over Appropriations

For the year ended June 30, 2014, general fund expenditures exceeded appropriations as follows:

Clerk of Commissioners	$ 32,628	Emergency management	$ 435
Financial administration	13,323	Street department	96,897
Government buildings	515,857	Sanitation department	103,969
Clerk of Superior Court	4,719	Family Connections	6,582
District attorney	3,080	County extension	4,007
Magistrate / Probate Court	1,147	Forestry conservation	894
Sheriff	59,162	Debt service - principal	17,636
Emergency medical services	25,115	Debt service - interest	3,308

Expenditures of the prisoner's board in the jail fund exceeded appropriations by $65,484.

Annual budgets were not appropriated for the E911 fund (a major fund), law library fund, seized assets fund or the development authority fund (nonmajor special revenue funds). As a result, public safety expenditures exceeded appropriations in the E911 fund by $246,208. Public safety expenditures exceeded appropriations by $7,179 and $136 in the law library fund and the seized asset fund respectively. Housing and development expenditures exceeded appropriations in the development authority fund by $3,651.

Overspending in the general fund, the jail fund, the law library fund, the seized assets fund and the development authority fund were funded by fund balance in the respective fund. The overspending in the E911 fund was funded by current revenues and a transfer from the general fund.

III. DETAILED NOTES ON ALL FUNDS

A. Cash Deposits

At year-end the carrying amount of the County's deposits was $3,748,983 and the bank balance was $4,021,451. As of June 30, 2014 the entire bank balance was insured and collateralized with securities held by the pledging financial institution's trust department or agent in the government's name.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of depository insurance. The County has no custodial credit risk policy that would require additional collateral requirements.

B. Investments

As of June 30, 2014 the County had the following investments:

Investment	Average Credit Rating	Fair Value	Maturity in Years
Georgia Fund 1	Aaa	$ 10,607	less than 1

Deposit and investment transactions are subject to a variety of risks. The County seeks to promote the safety of principal, provide adequate liquidity for operational needs, earn market rates of return on investments consistent with liquidity needs and investment quality, and conform to legal requirements.

Interest rate risk is the risk that changes in interest rates that will adversely affect the value of an investment. The County does not have a policy that addresses this risk.

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The County does not have a policy that addresses this risk.

C. Receivables

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

Receivable	General	E911	Nonmajor Governmental	Total
Taxes	$ 774,593	$ -	$ -	$ 774,593
Accounts	108,280	39,109	5,500	152,889
Gross receivables	882,873	39,109	5,500	927,482
Less: Allowance for uncollectibles	(134,153)	-	-	(134,153)
Net receivables	$ 748,720	$ 39,109	$ 5,500	$ 793,329

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Non-Depreciable Assets:					
Land	$ 841,255	$ -	$ -	$ -	$ 841,255
Construction in progress	-	17,069	-	-	17,069
Total non-depreciable capital assets	841,255	17,069	-	-	858,324
Depreciable Assets:					
Buildings and improvements	3,775,971	-	-	-	3,775,971
Machinery, equipment and vehicles	4,077,559	321,884	226,240	-	4,173,203
Infrastructure	4,721,736	315,643	-	-	5,037,379
Total depreciable capital assets	12,575,266	637,527	226,240	-	12,986,553
Accumulated Depreciation					
Buildings and improvements	(1,558,852)	(151,921)	-	-	(1,710,773)
Machinery, equipment and vehicles	(2,234,999)	(591,140)	(226,240)	-	(2,599,899)
Infrastructure	(681,042)	(119,358)	-	-	(800,400)
Total accumulated depreciation	(4,474,893)	(862,419)	(226,240)	-	(5,111,072)
Total Governmental Activities	$ 8,941,628	$ (207,823)	$ -	$ -	$ 8,733,805

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

General government	$ 56,703
Judiciary	2,169
Public safety	290,474
Public works	340,918
Health and welfare	23,537
Culture and recreation	145,561
Housing and development	3,057
Total depreciation expense - general governmental activities	$ 862,419

E. Employee Retirement Plans

The following pension and retirement plans are in effect but are not under the direct control of the County.

ACCG 457(b) Deferred Compensation Plan for Long County Employees

The County offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, a defined contribution plan, is available to all county employees and permits employees to defer a portion of their salary until future years. The County matches the first $20 of each employee's deferral. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Plan assets are held in trust for the benefit of the plan participants

and their beneficiaries, and will not be diverted to any other purpose. The plan is administered by the Government Employee Benefits Corporation of Georgia. Actual contributions to the plan by plan members were $25,673 and employer contributions were $9,119.

Probate Judge's Retirement Fund of Georgia – The Probate Judge is covered under a pension plan which requires that a certain sum from fees be remitted to the pension plan before the payment of any costs or other claims.

Clerk of Superior Court and State Court Retirement Fund – The Clerk of Superior Court and State Court is covered by a Pension Plan which requires that certain sums from fees and fines or bonds forfeited be remitted to the pension plan before the payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officers' Annuity and Benefit Fund – The Sheriff and Sheriff's Deputies are covered under separate pension plans which require that certain sums from fines or bonds forfeited be remitted by the Clerk of Superior Court or State Court to the pension plans before the payment of any costs or other claims.

F. 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 workers compensation for which the County carries the following insurance coverages:

Risk pools

The County joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by County's management based on the anticipated needs. The County is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims and representing the County in defense and settlement of claims. GIRMA's basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary. The County has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year.

The City is unaware of any claims which the City is liable (up to the applicable deductible) which were outstanding and unpaid at June 30, 2014.

No provisions have been made in the financial statements for the year ended June 30, 2014 for any estimate of potential unpaid claims.

The County has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (GMAWCSIF), a risk management agency created under Georgia law. As a participant in the GMAWCSIF, the County has no legal obligation to pay its own workers' compensation claims. The County is required to make an annual contribution to the fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the County's annual contribution, the County has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the GMAWCSIF permits the fund to levy an assessment upon its members to make up any deficiency the fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

Self-insurance

The County pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

G. Capital Leases

The County has entered into lease agreements as lessee for financing of equipment and vehicles used in governmental activities. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

Significant assets acquired through capital lease are as follows:

In July, 2007, the County entered into a municipal lease agreement to purchase a Freightliner Pumper for the Fire Department for $190,950. The lease has an interest rate of 4.70% and the annual lease payment is $24,370 for ten years with a final payment due on 02/27/2016.

In February 2011 the County entered into a municipal lease agreement to purchase lighting for the County's recreational fields for $208,900. The lease has an interest rate of 4.85% and the annual lease payment is $48,196 for five years and a final payment due on 03/7/2016.

In June 2012, the County entered into a municipal lease agreement to purchase a Caterpillar Excavator for $234,261. The lease has an interest rate of 2.65% and the monthly lease payment is $2,433 for fifty-nine months and a final payment of $113,933 due on 06/19/2017.

In June 2012, the County entered into a municipal lease agreement to purchase a Caterpillar Motor Grader for $202,982. The lease has an interest rate of 2.65% and the monthly lease payment is $1,821 for fifty-nine months and a final payment of $116,821 due on 06/19/2017.

In December 2012 the County refinanced the balloon payment of a municipal lease agreement to purchase a Caterpillar DN Dozer for $90,902. The lease has an interest rate of 2.08% and the monthly lease payment is $1,625 for sixty months and a final payment due on 11/25/2017.

In March 2013, the County entered into a municipal lease agreement to purchase a Caterpillar Motor Grader for $195,798. The lease has an interest rate of 2.24% and the monthly lease payment is $1,580 for fifty-nine months and a final payment of $119,000 due on 04/12/2018.

In June 2014, the County entered into a municipal lease agreement to purchase a Caterpillar Backhoe Loader for $91,083. The lease has an interest rate of 3.20% and the monthly lease payment is $798 for fifty-nine months and a final payment of $55,000 due on 06/11/2019.

Amortization of the cost of the equipment of $216,245 is included in depreciation expense of governmental activities.

Net book value of assets under capital lease is as follows:

Machinery and Equipment	$ 1,622,475
Less: Accumulated depreciation	(810,671)
Total	$ 811,804

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

Year Ending June 30,	Governmental Activities
2015	$ 201,561
2016	199,251
2017	343,082
2018	168,413
2019	73,638
Total minimum lease payments	985,945
Less: amount representing interest	(77,018)
Present value of minimum lease payments	$ 908,927

H. Long-term Debt

USDA loan – The County has entered into a loan agreement with the United States Department of Agriculture, a federal agency, to fund the purchase of road maintenance equipment. The original amount of the loan was $230,000 and has a 4.3% annual interest rate with monthly payments of $3,186 for eighty-four months. The balance of the loan at June 30, 2014 was $134,645.

Annual debt service requirements to maturity for the USDA loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	$ 32,971	$ 5,261	$ 38,232
2016	34,450	3,782	38,232
2017	35,996	2,236	38,232
2018	31,228	631	31,859
	$ 134,645	$ 11,910	$ 146,555

Changes in long-term liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Capital leases payable	$ 957,911	$ 189,871	$ 238,855	$ 908,927	$ 171,381
Note payable	166,200	-	31,555	134,645	32,971
Totals	$ 1,124,111	$ 189,871	$ 270,410	$ 1,043,572	$ 204,352

I. Interfund Receivables and Payables

Receivable Fund	Payable Fund	Amount
E911	General	$ 133,380

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

J. Interfund Transfers

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in the other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

	Transfer in:			
	General fund	E911 fund	SPLOST fund	Total
Transfer out:				
General fund	$ -	$ 106,000	$ 33,786	$ 139,786
Nonmajor governmental funds	10,000	-	-	10,000
Total	$ 10,000	$ 106,000	$ 33,786	$ 149,786

IV. JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

A. Coastal Regional Commission

Under Georgia law, the County, in conjunction with other cities and counties in the Coastal Georgia area, is a member of the Coastal Regional Commission (CRC) and is required to pay annual dues thereto. Membership in a CRC is automatic for each municipality and county of the State. The official Code of Georgia Section 50-8-34(Georgia Planning Act of 1989) provides for the organization structure of the CRC's. Each county and municipality in the State is required by law to pay minimum annual dues to the CRC based on population. The Board of the CRC includes elected officials from Member counties and cities and nonpublic appointed members. The law defines CRC's as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of a CRC beyond its resources. Complete financial statements of the CRC can be obtained from: Coastal Regional Commission, P.O. Box 1917, Brunswick, Georgia 31521.

V. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. Contingent Liabilities

The County has participated in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Such audits could result in request for reimbursement by the Federal and State agencies for expenditures disallowed under the terms and conditions of the appropriate agency. The amount of expenditures which may be disallowed by granting agencies cannot be determined at this time; although, the County expects such amounts, if any, to be immaterial.

Various claims and lawsuits are pending against the County. The County estimates that the potential claims from the pending lawsuits against the County, not covered by insurance, would not materially affect the financial statements of the County.

LONG COUNTY, GEORGIA

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	$ 6,478,789	$ 6,478,789	$ 5,806,515	$ (672,274)
Licenses and permits	167,250	167,250	148,154	(19,096)
Intergovernmental	571,646	571,646	786,044	214,398
Charges for services	629,700	629,700	644,670	14,970
Fines and forfeitures	524,100	524,100	625,082	100,982
Investment income	5,500	5,500	4,939	(561)
Contributions and donations	4,100	4,100	3,338	(762)
Miscellaneous	122,764	122,764	127,957	5,193
Total revenues	8,503,849	8,503,849	8,146,699	(357,150)
EXPENDITURES				
Current:				
General government:				
Legislative	284,497	284,497	77,756	206,741
Clerk of commissioners	207,357	207,357	239,985	(32,628)
Legal	45,500	45,500	29,897	15,603
Elections	190,536	190,536	158,651	31,885
Financial administration	123,177	123,177	136,500	(13,323)
Tax commissioner	237,105	237,105	231,242	5,863
Tax assessor	225,577	225,577	198,222	27,355
Risk management	74,161	74,161	70,743	3,418
Government buildings	199,828	199,828	715,685	(515,857)
Total general government	1,587,738	1,587,738	1,858,681	(270,943)
Judiciary:				
Superior Court	112,389	112,389	68,944	43,445
Clerk of superior court	287,457	287,457	292,176	(4,719)
District attorney	46,100	46,100	49,180	(3,080)
State court	175,278	101,878	66,659	35,219
Solicitor	20,092	20,092	19,015	1,077
Magistrate / Probate Court	190,061	190,061	191,208	(1,147)
Juvenile court	55,600	55,600	28,950	26,650
Public defender	78,574	78,574	58,494	20,080
Total judiciary	965,551	892,151	774,626	117,525
Public safety:				
Sheriff	1,450,889	1,524,289	1,583,451	(59,162)
Housing of prisoners	577,500	577,500	530,157	47,343
Fire department	249,414	249,414	238,435	10,979
Emergency medical services	275,900	275,900	301,015	(25,115)
Coroner	20,544	20,544	20,360	184
Emergency management	21,020	21,020	21,455	(435)
Total public safety	2,595,267	2,668,667	2,694,873	(26,206)

(continued)

LONG COUNTY, GEORGIA

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2014

Public works:				
Street department	1,189,231	1,189,231	1,286,128	(96,897)
Sanitation department	621,613	621,613	725,582	(103,969)
Total public works	1,810,844	1,810,844	2,011,710	(200,866)
Health and welfare:				
Public welfare	163,652	163,652	152,734	10,918
Meals programs	287,427	287,427	221,076	66,351
Family connections	45,000	45,000	51,582	(6,582)
Headstart	23,883	23,883	19,250	4,633
Transportation services	257,587	257,587	225,274	32,313
Total health and welfare	777,549	777,549	669,916	107,633
Culture and recreation:				
Recreation	185,693	185,693	167,527	18,166
Libraries	60,713	60,713	60,713	-
Total culture and recreation	246,406	246,406	228,240	18,166
Housing and development:				
Water conservation	600	600	-	600
County extension	54,724	54,724	58,731	(4,007)
Forestry conservation	32,656	32,656	33,550	(894)
Planning and zoning	12,100	12,100	6,557	5,543
Code enforcement	211,414	211,414	191,356	20,058
Total housing and development	311,494	311,494	290,194	21,300
Debt service:				
Principal	-	-	17,636	(17,636)
Interest and other charges	-	-	3,308	(3,308)
Total debt service	-	-	20,944	(20,944)
Total expenditures	8,294,849	8,294,849	8,549,184	(254,335)
Excess (deficiency) of revenues over (under) expenditures	209,000	209,000	(402,485)	(611,485)
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	-	98,788	98,788
Transfer in	10,000	10,000	10,000	-
Transfer out	(219,000)	(219,000)	(139,786)	79,214
Total other financing sources (uses)	(209,000)	(209,000)	(30,998)	178,002
Net change in fund balance	-	-	(433,483)	(433,483)
Fund balance, beginning	2,140,156	2,140,156	2,140,156	-
Fund balance, ending	$ 2,140,156	$ 2,140,156	$ 1,706,673	$ (433,483)

(concluded)

LONG COUNTY, GEORGIA

E911 FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ -	$ -	$ 195,468	$ 195,468
Total revenues	-	-	195,468	195,468
EXPENDITURES				
Current:				
Public safety:				
E911 Services	-	-	246,208	(246,208)
Total public safety	-	-	246,208	(246,208)
Excess (deficiency) of revenues over (under) expenditures	-	-	(50,740)	(50,740)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	106,000	106,000
Total other financing sources (uses)	-	-	106,000	106,000
Net change in fund balance	-	-	55,260	55,260
Fund balance, beginning	-	-	-	-
Fund balance, ending	$ -	$ -	$ 55,260	$ 55,260

A. Budgets and Budgetary Accounting

State law requires that the County adopt by ordinances or resolutions an annual balanced budget for the general fund and all special revenue funds. A budget is balanced when the sum of estimated revenues and appropriated fund balance is equal to appropriations. The legal level of budgetary control over expenditures is exercised by the County at the department level for its general and special revenue funds. Appropriations lapse at year-end. Annual budgets were not appropriated for the E911 fund (a major fund), law library fund, seized assets fund or the development authority fund (nonmajor special revenue funds).

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

Prior to year-end, the Finance Director 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.

1. Public hearings are conducted at the County Courthouse to obtain taxpayer comments.
2. Prior to July 1, the budget is legally enacted through approval by the Board of Commissioners.
3. Budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).

The Board of Commissioners has the authority to amend its budget as follows:

Any increase in appropriation for a department, whether accomplished through a change in anticipated revenue or through a transfer of appropriations in any fund among the various accounts within a department shall require only the approval of the budget officer.

For the year ended June 30, 2014, there were no supplementary appropriations approved by the Board of Commissioners. Actual expenditures in the general fund were $254,335 (3.1%) over the final budget.

For the year ended June 30, 2014, general fund expenditures exceeded appropriations as follows:

Clerk of Commissioners	$ 32,628	Emergency management	$ 435
Financial administration	13,323	Street department	96,897
Government buildings	515,857	Sanitation department	103,969
Clerk of Superior Court	4,719	Family Connections	6,582
District attorney	3,080	County extension	4,007
Magistrate / Probate Court	1,147	Forestry conservation	894
Sheriff	59,162	Debt service - principal	17,636
Emergency medical services	25,115	Debt service - interest	3,308

Expenditures of the prisoner's board in the jail fund exceeded appropriations by $65,484.

Overspending in the general fund, the jail fund, the law library fund, the seized assets fund and the development authority fund were funded by fund balance in the respective fund. The overspending in the E911 fund was funded by current revenues and a transfer from the general fund.

LONG COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2014

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Law Library	Jail	Drug Abuse and Treatment	Seized Assets	Development Authority	
ASSETS						
Cash and cash equivalents	$ 10,694	$ 63,295	7,433	$ 3,214	$ 140,770	$ 225,406
Receivables	-	-	-	-	5,500	5,500
Total assets	$ 10,694	$ 63,295	$ 7,433	$ 3,214	$ 146,270	$ 230,906
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-	-
FUND BALANCES						
Restricted						
Judicial	10,694	-	-	-	-	10,694
Public safety	-	63,295	7,433	3,214	-	73,942
Assigned	-	-	-	-	146,270	146,270
Total fund balances	10,694	63,295	7,433	3,214	146,270	230,906
Total liabilities and fund balances	$ 10,694	$ 63,295	$ 7,433	$ 3,214	$ 146,270	$ 230,906

LONG COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Law Library	Jail	Drug Abuse and Treatment	Confiscated Assets	Development Authority	
REVENUES						
Fines and forfeitures	$ 14,087	$ 46,260	$ 1,152	$ 2,893	$ -	$ 64,392
Investment	-	203	9	-	97	309
Miscellaneous	-	-	-	-	5,500	5,500
Total revenues	14,087	46,463	1,161	2,893	5,597	70,201
EXPENDITURES						
Current:						
Judiciary	7,179	-	-	-	-	7,179
Public safety	-	80,484	3,464	136	-	84,084
Housing and development	-	-	-	-	3,651	3,651
Total expenditures	7,179	80,484	3,464	136	3,651	94,914
Excess (deficiency) of revenues over (under) expenditures	6,908	(34,021)	(2,303)	2,757	1,946	(24,713)
OTHER FINANCING SOURCES (USES)						
Transfer out	(10,000)	-		-	-	(10,000)
Total other financing sources (uses)	(10,000)	-	-	-	-	(10,000)
Net Changes in fund balances	(3,092)	(34,021)	(2,303)	2,757	1,946	(34,713)
Fund balances at beginning of year	13,786	97,316	9,736	457	144,324	265,619
Fund balances at end of year	$ 10,694	$ 63,295	$ 7,433	$ 3,214	$ 146,270	$ 230,906

LONG COUNTY, GEORGIA

JAIL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	$ 14,910	$ 14,910	$ 46,260	$ 31,350
Investment income	90	90	203	113
Total revenues	15,000	15,000	46,463	31,463
EXPENDITURES				
Current operating:				
Prisoner's board	15,000	15,000	80,484	(65,484)
Total expenditures	15,000	15,000	80,484	(65,484)
Net change in fund balance	-	-	(34,021)	(34,021)
Fund balance, beginning of year	97,316	97,316	97,316	-
Fund balance, end of year	$ 97,316	$ 97,316	$ 63,295	$ (34,021)

LONG COUNTY, GEORGIA

DRUG ABUSE AND TREATMENT FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	$ 6,500	$ 6,500	$ 1,152	$ (5,348)
Investment income	-	-	9	9
Total revenues	6,500	6,500	1,161	(5,339)
EXPENDITURES				
Current operating:				
DARE Program	6,500	6,500	3,464	3,036
Total expenditures	6,500	6,500	3,464	3,036
Net change in fund balance	-	-	(2,303)	(2,303)
Fund balance, beginning of year	9,736	9,736	9,736	-
Fund balance, end of year	$ 9,736	$ 9,736	$ 7,433	$ (2,303)

LONG COUNTY, GEORGIA

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2014

	Balance 06/30/13	Additions	Deletions	Balance 06/30/14
CLERK OF COURT				
ASSETS				
Cash and cash equivalents	$ 51,924	$ 457,071	$ 457,527	$ 51,468
Total assets	$ 51,924	$ 457,071	$ 457,527	$ 51,468
LIABILITIES				
Due to others	$ 51,924	$ 457,071	$ 457,527	$ 51,468
Total liabilities	$ 51,924	$ 457,071	$ 457,527	$ 51,468
PROBATE COURT				
ASSETS				
Cash and cash equivalents	$ 532	$ 48,966	$ 48,400	$ 1,098
Total assets	$ 532	$ 48,966	$ 48,400	$ 1,098
LIABILITIES				
Due to others	$ 532	$ 48,966	$ 48,400	$ 1,098
Total liabilities	$ 532	$ 48,966	$ 48,400	$ 1,098
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	$ 332,301	$ 6,936,671	$ 6,957,238	$ 311,734
Total assets	$ 332,301	$ 6,936,671	$ 6,957,238	$ 311,734
LIABILITIES				
Due to others	$ 332,301	$ 6,936,671	$ 6,957,238	$ 311,734
Total liabilities	$ 332,301	$ 6,936,671	$ 6,957,238	$ 311,734
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	$ 4,825	$ 70,283	$ 71,758	$ 3,350
Total assets	$ 4,825	$ 70,283	$ 71,758	$ 3,350
LIABILITIES				
Due to others	$ 4,825	$ 70,283	$ 71,758	$ 3,350
Total liabilities	$ 4,825	$ 70,283	$ 71,758	$ 3,350
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 389,582	$ 7,512,991	$ 7,534,923	$ 367,650
Total assets	$ 389,582	$ 7,512,991	$ 7,534,923	$ 367,650
LIABILITIES				
Due to others	$ 389,582	$ 7,512,991	$ 7,534,923	$ 367,650
Total liabilities	$ 389,582	$ 7,512,991	$ 7,534,923	$ 367,650

LONG COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX

FOR THE YEAR ENDED JUNE 30, 2014

Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total Cost	Estimated % of Completion
SPLOST (4/2006 - 3/2012)						
Road, street, bridge improvements	$ 1,560,000	$ 1,144,049	$ 962,802	$ -	$ 962,802	84.2%
Recreation complex projects	600,000	1,229,234	1,411,387	-	1,411,387	114.8%
Public safety vehicles and major equipment	240,000	293,371	293,371	-	293,371	100.0%
Debt service:				-		
Road, street, bridge equipment	-	415,951	415,951	-	415,951	100.0%
Recreation complex equipment	-	170,517	170,517	-	170,517	100.0%
Public safety vehicles and equipment	-	121,850	121,850	-	121,850	100.0%
Total SPLOST (4/2006 - 3/2012)	$ 2,400,000	$ 3,374,972	$ 3,375,878	$ -	$ 3,375,878	
SPLOST (4/2012 - 3/2018)						
ROAD, STREET, BRIDGE IMPROVEMENTS:						
Long County	$ 1,764,000	$ 1,086,663	$ 254,836	$ 188,857	$ 443,693	40.8%
City of Ludowici	336,000	336,000	53,763	86,028	139,791	41.6%
LONG COUNTY RECREATION COMPLEX	875,000	600,681	63,468	-	63,468	10.6%
PUBLIC SAFETY VEHICLES AND EQUIPMENT:						
Long County	441,000	343,520	11,840	12,000	23,840	6.9%
City of Ludowici	84,000	84,000	13,441	21,507	34,948	41.6%
DEBT SERVICE:						
Road, street, bridge equipment		677,337	115,204	118,684	233,888	34.5%
Recreation complex equipment		274,319	88,963	88,963	177,926	64.9%
Public safety vehicles and equipment		97,480	24,370	24,370	48,740	50.0%
Total SPLOST (4/2012 - 3/2018)	$ 3,500,000	$ 3,500,000	$ 625,885	$ 540,409	$ 1,166,294	
TOTAL SPLOST FUND EXPENDITURES (PAGE 4)				$ 832,024		
LESS:						
Local maintenace and improvement grants funding				(238,528)		
Debt service funded with the sale of road equipment				(34,129)		
Debt service on equipment included on schedule				(18,958)		
SPLOST FUNDED EXPENDITURES				$ 540,409		

NOTE TO SCHEDULE:

Prior year road, street, and bridge improvements project expenditures have been adjusted in the above schedule as follows:

	ENDING BALANCE 6/30/2013	ADJUSTMENT	ADJUSTED BEGINNING BALANCE 7/1/2013
2006 SPLOST			
ROADS, STREETS, BRIDGE IMPROVEMENTS	$ 910,127	$ 52,675	$ 962,802
2012 SPLOST			
ROADS, STREETS, BRIDGE IMPROVEMENTS	231,656	138,384	370,040

NOTE TO SCHEDULE (CONTINUED):

2006 SPLOST

AT JUNE 30, 2012, THERE WAS $63,206 OF 2006 SPLOST RESOURCES AVAILABLE FOR ROAD, STREETS, AND BRIDGE PROJECTS. MANAGEMENT APPLIED ALL OF THE 2006 SPLOST RESOURCES FIRST ON FY 2013 PROJECTS. AT JUNE 30, 2013 ALL 2006 SPLOST PROCEEDS WERE EXHAUSTED.

PRIOR YEARS BALANCE	$	899,596
ROADS, STREETS, BRIDGE IMPROVEMENT EXPENDITURES REPORTED		10,531
ADJUSTMENT TO APPLY ALL 2006 SPLOST PROCEEDS AVAILABLE FOR ROAD PROJECTS		52,675
ADJUSTED TOTAL EXPENDITURES AT JUNE 30, 2013	$	962,802

2012 SPLOST

PRIOR YEARS BALANCE	$	-
ROADS, STREETS, BRIDGE IMPROVEMENT EXPENDITURES REPORTED		231,656
ADJUSTMENT TO APPLY ALL 2006 SPLOST PROCEEDS AVAILABLE FOR ROAD PROJECTS		(52,675)
FULL COST OF ROAD EQUIPMENT PURCHASED WITH CAPITAL LEASE PROCEEDS		195,798
LESS: DEBT SERVICE ON ABOVE ROAD EQUIPMENT		(4,739)
ADJUSTED TOTAL EXPENDITURES AT JUNE 30, 2013	$	370,040