

LIBERTY COUNTY, FLORIDA
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
SEPTEMBER 30, 2019

LIBERTY COUNTY BOARD OF COUNTY COMMISSIONERS

SEPTEMBER 30, 2019

Dewayne Branch

District 1

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District 2

Jim Johnson

District 3

Doyle Brown

District 4

Scott Phillips

District 5

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Clerk of the Circuit Court

Kathleen E. Brown

Sheriff

Eddie Joe White

Tax Collector

Marie Goodman

Property Appraiser

Cindy Walker

Supervisor of Elections

Grant Conyers

**LIBERTY COUNTY, FLORIDA
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
SEPTEMBER 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners
and Constitutional Officers
Liberty County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparison statements of Liberty County, Florida, (the "County") as of and for the year ended September 30, 2019, and the notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

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, each major fund and the aggregate remaining fund information, and the budgetary comparison statements of the County, as of September 30, 2019, and the respective changes in financial position, and cash flows thereof, and the respective budgetary comparison of the general fund and each major fund, for the year then ended in conformity 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 and the required supplementary information listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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 an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section and the combining nonmajor fund statements are presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance projects, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, is also not a required part of the basic financial statements.

The combining nonmajor fund statements and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. This 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund statements and the schedule of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2020 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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* in considering the County's internal control over financial reporting and compliance.

Moran & Smith LLP

Moran & Smith LLP
June 30, 2020
Quincy, FL

**LIBERTY COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

The Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of Liberty County, Florida's, (the "County") financial activities based on currently known facts, decisions or conditions. It is intended to provide a broad overview on the short-term and long-term analysis of the County's activities based on information presented in the financial report and fiscal policies that have been adopted by the County. The MD&A is designed to focus on significant financial issues, provide an overview of the County's financial activity, identify changes in the County's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget) and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The reader of this statement should take the time to read and evaluate all sections of this report, including the footnotes and other supplemental information that is provided.

FINANCIAL HIGHLIGHTS

Government-wide Statements

Total assets of the County exceeded total liabilities at the close of the 2018-19 fiscal year by \$30,529,251. The total revenue from all sources was \$14,639,037 and total expenditures for all services were \$11,224,999 for an entity-wide increase in net position of \$1,095,973.

Total *net* position is comprised of the following:

1. Capital assets, net of related debt of \$30,393,901, includes land, buildings, improvements other than buildings, vehicles, equipment, construction in progress, and infrastructure, net of accumulated depreciation, and reduced for outstanding debt related to the purchase and construction of those capital assets.
2. Net position of (\$3,977,780) of governmental net position represent the portion available to maintain the County's continuing obligation to citizens and creditors. Business-type net position available were \$197,953.

The County's total *net* position increased by \$2,504,072 in fiscal year ended September 30, 2019, with an increase of \$1,857,161 resulting from governmental activities and an increase of \$646,911 resulting from business-type activities. The major increase in net position in governmental activities is due primarily to State road paving grants which is an increase in intergovernmental revenues.

The total revenues from all sources for Governmental Funds Activities were \$13,548,963 while the total costs of all County programs were \$13,043,581.

The County's Proprietary Fund had an increase in net position of \$437,882 prior to operating transfers out of \$53,000, which resulted in an overall increase of net position of \$646,911.

The County's summary of Long-term Liabilities indicates an overall decrease in Long-term debt of \$166,961 with a decrease of \$149,961 for Governmental activities and a reduction of \$17,000 for Business-type activities. The County's total Long-term Debt for Governmental activities was \$11,337,518 and \$501,341 for Business-type activities at year-end.

**LIBERTY COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

The County received \$4,951,198 in Federal and State Grant Programs including \$2,424,481 in operating grants and \$1,770,994 capital grants. The County also received an additional \$7,631,743 in Federal and State shared revenues.

COUNTY HIGHLIGHTS

- Hurricane Michael impacted Liberty County, Florida on October 10, 2018. Over forty county structures were damaged along with dozens of other county assets. The county sought out funding for rebuilding the counties infrastructure through means of legislative appropriations, FEMA grant, and insurance claims. The focus was to provide essentials services to the citizens of the county as quickly as possible. Through the efforts of local and state governments and agencies, along with volunteers, Liberty County began to rebuild. These efforts continued into fiscal year 2019-2020.
- Liberty County undertook a project to be funded by a Florida Small Cities Community Development Block Grant (CDBG). Work consisted of installing approximately 11,700 total linear feet of potable water lines with fire hydrants, as well as installing residential water services plumbing connections from the new water meters to the adjacent homes, with well abandonments. The project was completed south of Bristol along County Road 12 from approximately NW Johnson Crossing Road and extended south approximately to the NW Zebbie Odom Road, and on CR 379 from CR 12 northeast approximately 4400 feet. Small side roads leading to residences were also included. In addition to water lines and connections, the grant funded project engineering and administration. This project closed in the County's Fiscal Year 2018-2019.
- The County received grant funding from the Department of Environmental Protection and Northwest Florida Water Management District, Hosford Well Project #3, for providing an improved water well and water quality for the citizens in the Hosford/Telogia area. This project began to actively supplying water to the Hosford/Telogia area in the County's Fiscal Year 2018-2019.
- The County received \$50,000 from Florida Recreation Development Assistance Program (FRDAP) grant for Sumatra Park. The project was completed in the County's Fiscal Year 2018-2019. The FRDAP grant provided renovations of the existing Sumatra Park, to include renovations on the playground equipment and facilities.
- The County received numerous Federal and State Grants that were used for the purposes of repaving roads and the construction of other capital projects. Road projects include: Kever Road, CR67, CR379, CR 333, CR12, Talquin Circle, CR1641, CR22, and Neal Subdivision.
- In January 2017, County Voters, by referendum, approved passing a 0.5-cent Emergency Rescue Fire Services and Facilities Surtax. Said revenues were to be used specifically for Emergency Rescue Fire Services and Facilities within Liberty County. An Interlocal agreement was entered between the City of Bristol and Liberty County directing 20 percent of the collected sales tax revenues to the City of Bristol. The tax revenues were utilized to purchase buildings, machinery, equipment and supplies for County Fire Protection Services.
- The County collected \$2,154,449 in Ad Valorem taxes in 2019. This was a slight increase over the amount collected in 2018.

USING THIS ANNUAL REPORT

The County's basic financial statements include three components; 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. A brief description of the different financial statements follows.

**LIBERTY COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**Government-wide Statements
(The Statement of Net Position and The Statement of Activities)**

The Government-wide financial statements consist of two statements, the Statement of Net Position and the Statement of Activities. The Statement of Net Position presents information on all the County's assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies, with the difference between the two reported as net position. Net position, the difference between assets and liabilities, are one way to measure the County's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating.

The Statement of Activities presents information on all revenues and expenses of the County and shows *how* the County's net position changed during the year. Expenses by major function and program revenues relating to those functions are reported, thus presenting the net cost of all functions provided by the County. In the Statement of Activities governments report their operations as either governmental activities and/or business-type activities. All the County's basic services are considered to be governmental activities. These include general government, public safety, physical environment, transportation, economic environment, human services and culture and recreation. Property taxes, sales taxes, gas taxes and franchise fees finance most of these activities.

Fund Financial Statements

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

The Fund Financial Statements provide detailed information about the most significant *funds* – not the County as a whole. The Fund Financial Statements include a Balance Sheet, and a Statement of Revenues, Expenditures and Changes in Fund Balances for each major fund and aggregate nonmajor funds. The County has one Proprietary Fund, the water fund, which accounts for the activities of the County Water System. The County's two remaining types of funds, *governmental* and *fiduciary* use different accounting approaches as explained below.

- *Governmental funds* – Governmental fund presentation is presented on a sources and uses of liquid resources basis. Funds are established for various purposes and fund financial statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.
- *Fiduciary funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the County's own programs.

**LIBERTY COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Government-wide versus Fund Financial

The Government-wide Financial Statements and the Fund Financial Statements provide different pictures of the County. All assets of the County, including buildings, land, roads and bridges are reported in the Statements of Net Position. All liabilities, including principal outstanding on notes payable, capital leases, and future employee benefits obligated but not paid by the County, are included. The Statement of Activities includes depreciation on all long-lived assets of the County, but transactions between the different functions of the County have been eliminated in order to avoid "doubling up" the revenues and expenses. The Fund Financial Statements provide a picture of the major funds of the County and a column for all nonmajor funds. In the case of government activities, outlays for long-lived assets are reported as expenditures and long-term liabilities, such as notes payable, are not included in the Fund Financial Statements. To provide a link from the Fund Financial Statements to the Government-wide Financial Statements, reconciliation is provided from the Fund Financial Statements to Government-wide Financial Statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, *current* assets exceed *current* liabilities by \$10,713,279 at the close of the most recent fiscal year.

By far, the largest portion of the County's net position reflects its investment in capital assets, less any related debt to acquire those assets that is still outstanding. At year-end, this amount was \$28,185,102. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. During the year, the County reduced its long-term debt by \$166,961 and incurred an additional \$197,560 as an increase in Employee Compensated Absences payable, equipment lease purchases, and an increase in the landfill closure cost.

An additional portion of the County's net position represents resources that are subject to external restrictions (i.e., Florida Statutes, grant proceeds, etc.). Total restricted assets at year-end were \$6,196,921. This leaves an unrestricted balance of \$(3,779,827) of the County's net position to meet the government's ongoing obligations to citizens and creditors. There was an overall increase in net position of \$2,504,072.

The County added \$3,310,803 and disposed of \$1,059,826 in capital assets being depreciated. The County also incurred \$805,166 in depreciation expense on Governmental activities and \$151,144 on the Water System.

**LIBERTY COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Comparative Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and						
Other Assets	\$14,968,483	\$ 9,909,096	\$ 275,638	\$ 169,050	\$15,244,121	\$ 10,078,145
Capital Assets	28,509,824	27,094,125	2,710,140	2,177,186	31,219,964	29,271,311
Total Assets	43,478,307	37,003,221	2,985,778	2,346,235	46,464,085	39,349,456
Deferred						
Outflow	3,300,725	3,420,423	0	0	3,300,725	3,420,423
Liabilities						
Current						
Liabilities	4,255,204	777,810	93,685	84,054	4,348,890	861,864
Noncurrent						
Liabilities	11,100,604	9,841,236	485,341	502,341	11,585,944	10,343,576
Total Liabilities	15,355,808	10,619,046	579,026	586,395	15,934,834	11,205,441
Deferred Inflow	1,018,980	1,182,620	0	0	1,018,980	1,182,620
Net Position						
Invested in						
Capital Assets						
Net of Debt	28,185,102	26,769,403	2,208,799	1,658,845	30,393,901	28,428,248
Restricted	6,196,921	5,422,537	0	0	6,196,921	5,422,537
Unrestricted	(3,977,780)	(3,644,857)	197,952	100,995	(3,779,827)	(3,543,862)
Total Net Position	\$30,404,244	\$ 28,547,083	\$ 2,406,751	\$1,759,840	\$32,810,995	\$ 30,306,923

**LIBERTY COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Comparative Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,328,351	\$ 1,421,049	\$ 334,351	\$ 391,558	\$ 1,662,702	\$ 1,812,607
Operating Grants and Contributions	2,424,481	1,766,789	0	0	2,424,481	1,766,789
Capital Grants and Contributions	1,770,994	1,358,086	755,723	258,050	2,526,717	1,616,136
General Revenues:						
Property Taxes	2,154,449	2,112,426	0	0	2,154,449	2,112,426
Other Taxes	4,257,664	4,079,486	0	0	4,257,664	4,079,486
Other	1,613,025	2,086,135	0	0	1,613,025	2,086,135
Total Revenues	<u>13,548,963</u>	<u>12,823,970</u>	<u>1,090,074</u>	<u>649,608</u>	<u>14,639,037</u>	<u>13,473,579</u>
Expenses:						
Program Expenses:						
General Government	2,965,982	2,658,814	0	0	2,965,982	3,658,814
Public Safety	4,340,891	3,301,112	0	0	4,340,891	3,301,112
Physical Environment	1,251,772	1,163,247	0	0	1,251,772	1,163,247
Transportation	3,235,013	1,765,433	0	0	3,235,013	1,765,433
Economic Environment	17,105	15,921	0	0	17,105	15,921
Human Services	379,795	264,846	0	0	379,795	264,846
Culture and Recreation	133,089	320,773	0	0	133,089	320,773
Court-related	701,249	298,970	0	0	701,249	298,970
Water Fund	0	0	499,482	428,579	499,482	428,579
Interest on Long-term Debt	18,686	7,304	0	0	18,686	7,304
Total Expenses	<u>13,043,581</u>	<u>10,796,420</u>	<u>499,482</u>	<u>428,579</u>	<u>13,543,063</u>	<u>11,224,999</u>
Transfers	(53,000)	12,000	53,000	(12,000)	0	0
Increase in Net Position	<u>1,857,160</u>	<u>2,039,550</u>	<u>646,911</u>	<u>209,030</u>	<u>1,095,973</u>	<u>2,248,580</u>
Net Position:						
Beginning of the Year	<u>28,547,083</u>	<u>26,507,533</u>	<u>1,759,841</u>	<u>1,550,810</u>	<u>30,306,923</u>	<u>28,058,343</u>
End of the Year	<u>\$ 30,404,243</u>	<u>\$ 28,547,083</u>	<u>\$ 2,406,751</u>	<u>\$ 1,759,841</u>	<u>\$ 31,402,896</u>	<u>\$ 30,306,923</u>

**LIBERTY COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

FUND FINANCIAL ANALYSIS

The County's overall financial position of the County improved as documented through this report, with an overall increase in total governmental fund balances of \$1,784,265. The County's total governmental fund balances at September 30, 2019, were \$10,716,702. Of this amount, \$3,509,903 (unassigned) may be used to meet the County's ongoing obligations to citizens and creditors.

The *General Fund* is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,519,779. Total expenditures including transfers out were \$6,804,139. The fund balance at year-end is sufficient to cover about 52% of the total expenditures. Industry standards suggest local governments should consider keeping up to three months (25%) of operating expenditures in reserves. The County is currently keeping a 40% reserve.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were slight differences between the General Fund's original budget and final amended budget. The final amended budget included additions to revenue and expenditures. The expenditure budget was increased from \$5,652,067 to \$ 8,015,495 and actual expenditures of the General Fund were \$6,415,378. This was \$1,600,117 under the amount in the final budget. Budgeted transfers out were changed to \$395,961, Actual transfers out were \$388,761 a difference of \$7,200. Actual revenues were under the amounts of the amended budget, and the net change in fund balance was an increase of \$978,672.

CAPITAL ASSETS AND DEBT MANAGEMENT

Capital Assets

The County's investment in capital assets for its governmental activities as of September 30, 2019, exceeded \$28,509,824 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and infrastructure, net of depreciation. Major capital asset events during the current fiscal year included the following:

Additions of \$3,310,803 in depreciable assets and deletions of \$1,059,826.
A decrease in accumulated depreciation of \$805,166.

See the notes to the financial statements for additional information on capital assets.

**LIBERTY COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Long-Term Debt

As previously stated, for the fiscal year ended September 30, 2019, the County's long-term debt consisted of bonds payable on the Water System, mortgage payable on the Hosford Fire Station, the financing of a garbage truck, the lease of a semi-truck for the Road and Bridge Department, the estimated landfill post closure costs, the liability for post-employment benefits, employee compensated absences. In addition, the most significant increase in the County's debt position, \$8,439,266 is due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement requires governmental entities to disclose on their Statement of Net Position their portion of the unfunded liability of the pension plan. For Liberty County that is the Florida Retirement System (FRS). See the notes to the financial statements for additional information on long-term debt.

ECONOMIC FACTORS AND FUTURE FINANCIAL CONDITION

The County primarily relies on Ad Valorem taxes, a limited array of other taxes (sales, gasoline, etc.), state-shared revenues (mainly from Florida's sales tax collections) and fees (building permits, franchise, ambulance user charges, etc.) for its governmental activities. Revenues from these sources have not kept pace with the demand for services and the increased costs, especially in the retirement, employee health insurance and workers' compensation categories. Even though the national inflation rate was under 3% this past year, the County experienced double-digit percentage increases in the above-mentioned categories.

Other key factors impacting the County's financial condition are:

- Many Communities in Florida have realized significant decreases in the taxable value of property due to the downturn in the housing markets; Liberty County was not as affected as many of the coastal communities were. However, they were not immune to the market forces although new housing starts are up. The County is constantly trying to find ways to balance the budget and still maintain a satisfactory level of service.
- The County and the City of Bristol, with the assistance of Federal and State grant programs have made significant improvements and additions to the infrastructure of the County in the areas of road paving, emergency preparedness and the weatherization of houses. These additions have helped to maintain the taxable value of the County.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives and manages. If you have questions about this report or need additional financial information, contact the Liberty County Finance Office, Highway 20, P.O. Box 399, Bristol, Florida 32321.

BASIC FINANCIAL STATEMENTS

LIBERTY COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash	\$ 6,750,409	\$ 0	\$ 6,750,409
Investments	3,919,071	0	3,919,071
Accounts Receivables, Net	111,461	32,570	144,031
Internal Balances	2,767,646	94,901	2,862,547
Due from Other Governments	1,273,669	148,167	1,421,836
Prepaid Items	146,005	0	146,005
Due from Individuals	222	0	222
Total Current Assets	14,968,483	275,638	15,244,121
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	1,045,567	36,520	1,082,087
Depreciable, Net	27,464,257	2,673,620	30,137,877
Total Noncurrent Assets	28,509,824	2,710,140	31,219,964
Total Assets	43,478,307	2,985,778	46,464,085
Deferred Outflows of Resources			
Pension Related	3,214,397	0	3,214,397
OPEB	86,328	0	86,328
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Expenses	552,805	8,785	561,590
Internal Balances	2,862,547	0	2,862,547
Due to Other Governments	18,359	0	18,359
Customer Deposits	0	68,900	68,900
Unearned Revenue	584,579	0	584,579
Bonds and Notes Payable	153,227	16,000	169,227
Accrued Compensated Absences	83,687	0	83,687
Estimated Landfill Closure Costs	0	0	0
Total Current Liabilities	4,255,204	93,685	4,348,890
Noncurrent Liabilities:			
Bonds and Notes Payable	146,113	485,341	631,453
Accrued Compensated Absences	251,061	0	251,061
Estimated Landfill Closure Costs	492,959	0	492,959
Other Postemployment Benefits Obligations	1,771,205	0	1,771,205
Net Pension Liability	8,439,266	0	8,439,266
Total Noncurrent Liabilities	11,100,604	485,341	11,585,944
Total Liabilities	15,355,808	579,026	15,934,834
Deferred Inflows of Resources			
Pension Related	951,575	0	951,575
OPEB	67,405	0	0
Net Position			
Invested in Capital Assets, Net of Related Debt	28,185,102	2,208,799	30,393,901
Restricted	6,196,921	0	6,196,921
Unrestricted	(3,977,780)	197,951	(3,779,829)
Total Net Position	\$ 30,404,243	\$ 2,406,751	\$ 32,810,993

See accompanying notes to Financial Statements

**LIBERTY COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	
Governmental Activities:							
General Government	\$ 2,965,982	\$ 264,765	\$ 120,447	\$ 0	\$ (2,580,769)	\$ 0	\$ (2,580,769)
Public Safety	4,340,891	323,088	1,141,193	2,106	(2,874,504)	0	(2,874,504)
Physical Environment	1,251,772	458,356	516,993	0	(276,424)	0	(276,424)
Transportation	3,235,013	32,006	430,484	1,768,888	(1,003,635)	0	(1,003,635)
Economic Environment	17,105	0	0	0	(17,105)	0	(17,105)
Human Services	379,795	0	0	0	(379,795)	0	(379,795)
Court Related	701,249	223,673	215,363	0	(262,212)	0	(262,212)
Culture and Recreation	133,089	26,462	0	0	(106,627)	0	(106,627)
Interest on Long-term Debt	18,686	0	0	0	(18,686)	0	(18,686)
Total Governmental Activities	13,043,581	1,328,351	2,424,481	1,770,994	(7,519,756)	0	(7,519,756)
Business- Type Activities							
Water Fund	499,482	334,351	0	755,723	0	590,593	590,593
Total Primary Government	\$ 13,543,063	\$ 1,662,702	\$ 2,424,481	\$ 2,526,717	\$ (7,519,756)	\$ 590,593	\$ (6,929,164)
General Revenues							
Taxes:							
Property Taxes					\$ 2,154,449	\$ 0	\$ 2,154,449
Franchise and Utility Taxes					355,599	0	355,599
Discretionary Sales Surtax					762,805	0	762,805
Local Option Gas Tax					1,641,092	0	1,641,092
Federal Payment in Lieu of Taxes					1,219,630	0	1,219,630
Sales Tax and Other Shared Revenues					1,498,169	0	1,498,169
Investment Earnings					76,821	0	76,821
Miscellaneous					316,574	0	316,574
Gain on Disposal of Assets					1,404,780	3,319	1,408,098
Transfers					(53,000)	53,000	0
Total General Revenues and Transfers					9,376,917	56,319	9,433,236
Change in Net Position					1,857,160	646,911	2,504,072
Net Position Beginning of Year					28,547,083	1,759,840	30,306,923
Net Position End of Year					\$ 30,404,243	\$ 2,406,751	\$ 32,810,995

See accompanying notes to Financial Statements

LIBERTY COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General Fund	Transportation Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 5,787,299	\$ 50,475	\$ 0	\$ 912,635	\$ 6,750,409
Investments	850,705	2,194,270	820,136	53,959	3,919,071
Receivables (Net)	16,357	0	0	95,104	111,461
Prepaid Items	146,005	0	0	0	146,005
Due from Other Funds	242,651	1,255,883	0	1,269,112	2,767,646
Due from Other Governments	466,949	534,257	0	272,463	1,273,669
Due from Individuals	(0)	0	0	222	222
Total Assets	7,509,967	4,034,884	820,136	2,603,495	14,968,483
Liabilities and Fund Balances					
Liabilities					
Payables and Accrued Expenses	218,098	194,943	0	133,415	546,457
Due to Individuals	6,349	0	0	0	6,349
Internal Balances	0	0	0	0	0
Due to Other Funds	2,699,315	0	0	163,232	2,862,547
Due to Other Governments	0	0	0	18,359	18,359
Deferred Revenues	5,741	0	0	578,838	584,579
Total Liabilities	2,929,502	194,943	0	893,845	4,018,290
Deferred Inflows of Resources					
Unavailable Resources	175,515	30,470	0	27,507	233,491
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	0	3,809,471	820,136	1,567,314	6,196,921
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	4,404,950	0	0	114,829	4,519,779
Total Fund Balances	4,404,950	3,809,471	820,136	1,682,143	10,716,701
Total Liabilities and Fund Balances	\$ 7,509,967	\$ 4,034,884	\$ 820,136	\$ 2,603,495	\$ 14,968,482

See accompanying notes to Financial Statements

LIBERTY COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

Total Fund Balances of Governmental Funds \$ 10,716,701

**Amounts Reported for Governmental Activities in the Statement
of Net Position are Different Because:**

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 28,509,824

Receivables that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. 233,491

Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the plan made after the measurement date:

Deferred Inflows Related to Pensions	(951,575)	
Deferred Outflows Related to Pensions	3,214,397	
Deferred Inflows Related to OPEB	(67,405)	
Deferred Outflows Related to OPEB	86,328	2,281,745

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.

Long-term liabilities at year-end consist of:

Bonds and Installment Notes Payable	(178,340)	
Lease Purchase Agreement	(121,000)	
Accrued Other Postemployment Benefits Obligation	(1,771,205)	
Accrued Compensated Absences	(334,748)	
Estimated Landfill Postclosure Costs	(492,959)	
Net Pension Liability	(8,439,266)	(11,337,518)

Total Net Position of Governmental Activities \$ 30,404,243

LIBERTY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Transportation Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 3,275,991	\$ 413,653	\$ 0	\$ 0	\$ 3,689,644
Licenses and Permits	27,335	0	0	0	27,335
Intergovernmental	2,891,969	2,986,665	0	1,759,890	7,638,524
Charges for Services	342,622	32,006	0	876,108	1,250,735
Fines and Forfeitures	16,593	0	0	148,048	164,640
Miscellaneous	690,569	44,418	15,421	42,968	793,376
Total Revenues	7,245,077	3,476,742	15,421	2,827,014	13,564,254
Expenditures					
Current:					
General Government	2,457,712	0	0	6,057	2,463,769
Public Safety	2,821,089	0	0	828,094	3,649,183
Physical Environment	80,504	0	0	974,920	1,055,425
Transportation	0	1,157,180	0	477,110	1,634,290
Economic Environment	14,695	0	0	0	14,695
Human Services	309,095	0	0	0	309,095
Culture and Recreation	278,625	0	0	371,815	650,440
Court Related	0	0	0	0	0
Debt Service:					
Principal Payments	4,475	116,000	0	25,907	146,382
Interest	4,575	11,447	0	2,664	18,686
Capital Outlay	444,608	2,490,606	0	375,591	3,310,804
(Total Expenditures)	(6,415,378)	(3,775,233)	0	(3,062,159)	(13,252,769)
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	829,699	(298,491)	15,421	(235,145)	311,484
Other Financing Sources (Uses)					
Gain on Sale of Assets	458,878	797,501	0	148,401	1,404,780
Issuance of New Debt	0	121,000	0	0	121,000
Operating Transfers in	78,855	247,254	0	395,574	721,683
Operating Transfers out	(388,761)	(60,000)	0	(325,922)	(774,683)
Total Other Financing Sources (Uses)	148,973	1,105,755	0	218,052	1,472,780
Net Change in Fund Balances	978,672	807,264	15,421	(17,093)	1,784,265
Fund Balances, Beginning of Year	3,426,278	3,002,207	804,716	1,699,237	8,932,437
Fund Balances, End of Year	\$ 4,404,950	\$ 3,809,471	\$ 820,137	\$ 1,682,144	\$ 10,716,702

See accompanying notes to Financial Statements

LIBERTY COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

**Differences in Amounts Reported for Governmental Activities in the
Statement of Activities on Page 13:**

Net Change in Fund Balances - Total Governmental Funds. \$ 1,784,265

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Expenditures for Capital Assets	\$ 3,310,804	
Less: Current Year Depreciation	<u>(1,864,992)</u>	1,445,812

Issuance of debt is not a revenue		(121,000)
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Repayment of long-term debt is reported as an expenditure in the governmental fund but as a reduction of long-term liabilities in the statement of net position.		146,382
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Receivables that do not provide current financial resources are reported as Deferred inflows of resources in the governmental fund.		(15,292)
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Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the plan made after the measurement date:

Deferred Inflows Related to Pensions	231,045	
Deferred Outflows Related to Pensions	(206,026)	
Deferred Inflows Related to OPEB	7,490	
Deferred Outflows Related to OPEB	86,328	118,837

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 governmental funds:

Compensated Absences	(62,369)	
Other Postemployment Benefits	(135,052)	
Landfill Postclosure Costs	(10,612)	
Net Pension Liability	<u>(1,293,811)</u>	<u>(1,501,844)</u>

Change in Net Position of Governmental Activities		<u><u>\$ 1,857,160</u></u>
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LIBERTY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		(Negative)
Revenues				
Taxes	\$ 2,453,251	\$ 2,622,591	\$ 3,275,991	\$ 653,400
Licenses and Permits	24,175	29,238	27,335	(1,903)
Intergovernmental Revenues	3,528,628	4,613,927	2,891,969	(1,721,958)
Fines and Forfeitures	222,344	259,602	342,622	83,020
Charges for Services	57,224	75,194	16,593	(58,601)
Miscellaneous Revenues	477,943	490,443	690,569	200,126
Total Revenues	<u>6,763,565</u>	<u>8,090,994</u>	<u>7,245,077</u>	<u>(845,917)</u>
Expenditures				
Current:				
General Government	2,429,514	3,510,845	2,906,895	(603,949)
Public Safety	2,602,427	3,365,684	2,821,089	(544,595)
Physical Environment	71,373	93,898	80,504	(13,393)
Transportation	0	0	0	0
Economic Environment	13,693	76,197	14,695	(61,502)
Human Services	244,268	404,272	309,095	(95,177)
Culture and Recreation	290,792	564,600	278,625	(285,975)
Debt Service:				
Principal	0	0	0	0
Interest	0	0	4,475	4,475
(Total Expenditures)	<u>(5,652,067)</u>	<u>(8,015,495)</u>	<u>(6,415,378)</u>	<u>1,600,117</u>
Excess of Revenues Over Expenditures	<u>1,111,498</u>	<u>75,499</u>	<u>829,699</u>	<u>754,200</u>
Other Financing Sources (Uses)				
Gain on Sale of Assets	0	0	458,878	458,878
Operating Transfers in	59,141	78,855	78,855	0
Operating Transfers out	(340,222)	(395,961)	(388,761)	7,200
Total Other Financing Sources (Uses)	<u>(281,080)</u>	<u>(317,106)</u>	<u>148,973</u>	<u>466,079</u>
Net Change in Fund Balance	830,417	(241,607)	978,672	1,220,279
Fund Balance, Beginning of Year	<u>0</u>	<u>241,607</u>	<u>3,426,278</u>	<u>3,184,671</u>
Fund Balance, End of Year	<u>\$ 830,417</u>	<u>\$ 0</u>	<u>\$ 4,404,950</u>	<u>\$ 4,404,950</u>

See accompanying notes to Financial Statements

LIBERTY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TRANSPORTATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Taxes	\$ 359,771	\$ 388,705	\$ 413,653	\$ 24,948
Licenses and Permits	143	143	0	(143)
Intergovernmental Revenues	7,583,119	8,079,637	2,986,665	(5,092,972)
Charges for Services	31,998	39,428	32,006	(7,422)
Miscellaneous Revenues	32,258	40,901	44,418	3,517
Total Revenues	<u>8,007,289</u>	<u>8,548,814</u>	<u>3,476,742</u>	<u>(5,072,072)</u>
Expenditures				
Current:				
Transportation	8,194,543	9,532,125	3,647,785	(5,884,340)
Debt Service:				
Principal	0	122,000	116,000	(6,000)
Interest	0	6,000	11,447	5,447
(Total Expenditures)	<u>8,194,543</u>	<u>9,660,125</u>	<u>3,775,233</u>	<u>(5,884,892)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(187,254)</u>	<u>(1,111,311)</u>	<u>(298,491)</u>	<u>812,820</u>
Other Financing Sources (Uses)				
Gain on Sale of Assets	0	803,054	797,501	(5,553)
Issuance of New Debt	0	121,000	121,000	0
Operating Transfers in	247,254	247,254	247,254	0
Operating Transfers out	(60,000)	(60,000)	(60,000)	0
Total Other Financing Sources (Uses)	<u>187,254</u>	<u>1,111,308</u>	<u>1,105,755</u>	<u>(5,553)</u>
Net Change in Fund Balance	0	(3)	807,264	807,267
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>3,002,207</u>	<u>3,002,207</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ (3)</u>	<u>\$ 3,809,471</u>	<u>\$ 3,809,474</u>

See accompanying notes to Financial Statements

LIBERTY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL PROJECT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0	0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Miscellaneous Revenues	12,318	12,318	15,421	3,103
Total Revenues	<u>12,318</u>	<u>12,318</u>	<u>15,421</u>	<u>3,103</u>
Expenditures				
Current:				
Transportation	12,318	12,318	0	(12,318)
Debt Service:				
Principal	0	0	0	0
Interest	0	0	0	0
(Total Expenditures)	<u>12,318</u>	<u>12,318</u>	<u>0</u>	<u>(12,318)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>0</u>	<u>0</u>	<u>15,421</u>	<u>15,421</u>
Other Financing Sources (Uses)				
Operating Transfers in	0	0	0	0
Operating Transfers (out)	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	15,421	15,421
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>804,716</u>	<u>804,716</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 820,137</u>	<u>\$ 820,137</u>

See accompanying notes to Financial Statements

**LIBERTY COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2019**

	Water Fund
Assets	
Current Assets	
Accounts Receivables (Net of Allowance for Doubtful Accounts)	\$ 32,570
Due from Other Funds	94,901
Due from Other Governments	148,167
Total Current Assets	275,638
Noncurrent Assets	
Restricted Cash and Cash Equivalents	
Capital Assets:	
Land and Land Improvements	36,520
Depreciable Buildings, Property and Equipment, Net	2,673,620
Total Noncurrent Assets	2,710,140
Total Assets	2,985,778
Liabilities	
Current Liabilities	
Accounts Payable and Accrued Liabilities	8,785
Due to Other Funds	0
Total Current Liabilities	8,785
Payable from Restricted Assets	
Current Portion of Long-term Obligations	16,000
Customer Deposits	68,900
Total Payable from Restricted Assets	84,900
Noncurrent Liabilities	
Noncurrent Portion of Long-term Obligations	485,341
Total Noncurrent Liabilities	485,341
Total Liabilities	579,026
Net Position	
Invested in Capital Assets, Net of Related Debt	2,208,799
Unrestricted	197,952
Total Net Position	\$ 2,406,751

See accompanying notes to Financial Statements

LIBERTY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Water Fund
Operating Revenues	
Charges for Services	\$ 334,351
	\$ 334,351
Operating Expenses	
Personal Services	161,264
Electricity	34,046
Depreciation	151,144
Other Operating Expenses	128,374
Capital Outlay	0
(Total Operating Expenses)	(474,829)
Operating (Loss)	(140,478)
Nonoperating (Expenses)	
Interest Expense	(24,653)
(Loss) Before Capital Grants and Operating Transfers	(165,130)
Capital Grants and Operating Transfers	
Capital Grants	755,723
Gain on Sale of Assets	3,319
Transfers In	65,000
Transfers Out	(12,000)
Total Capital Grants and Operating Transfers	812,042
Increase (Decrease) in Net Position	646,911
Net Position, Beginning of Year	1,759,840
Net Position, End of Year	\$ 2,406,751

See accompanying notes to Financial Statements

**LIBERTY COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Water Fund
Cash Flows from Operating Activities	
Cash Received from Customers and Others	\$ 334,351
Cash Paid to Employees	(161,264)
Cash Paid to Suppliers	(162,420)
Net Cash Provided by (Used in) Operating Activities	10,667
Cash Flows from Noncapital Financing Activities	
Amounts Received from Other Funds	
Operating Transfers In	65,000
Operating Transfers Out	(12,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	53,000
Cash Flows from Capital and Related Financing Activities	
Capital Grants	657,765
Principal Payments on Bonds	(16,000)
Interest Payments on Bonds	(24,653)
Purchase of Fixed Assets	(680,779)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(63,667)
Net Increase (Decrease) in Cash and Cash Equivalents	0
Cash and Cash Equivalents, Beginning of Year	0
Cash and Cash Equivalents, End of Year	0
Total Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	0
Cash Flows from Operating Activities	
Operating Income (Loss)	(140,478)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	
Depreciation	151,144
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):	
Accounts Receivable, Net	2,432
Due From Other Funds	28,295
Due From Other Governments	(123,155)
Accounts Payable	35,330
Customer Deposits	57,099
Net Cash Provided by (Used in) Operating Activities	\$ 10,667

See accompanying notes to Financial Statements

LIBERTY COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2019

	Agency Funds
Assets	
Cash	\$ 185,342
Due from Other Funds	0
Due from Other Governments	0
Total Assets	185,342
Liabilities	
Due to Individuals	14,352
Due to Other Funds	0
Unremitted Collections	116,538
Total Liabilities	\$ 130,890

See accompanying notes to Financial Statements

NOTES TO BASIC FINANCIAL STATEMENTS

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 1 - Reporting Entity

Liberty County, Florida, (the “County”) is a political subdivision of the State of Florida created under the Constitution of the State of Florida. The County provides services to its residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. It is governed by a five-member elected Board of County Commissioners (the “Board”), which derives its authority by Florida Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets. The Board and Constitutional Officers provide the following services: public safety (police, fire and rescue), highways and streets, sanitation, water, health and social services, culture/recreation, public improvements, planning and zoning, and general administrative services.

In accordance with the provisions of generally accepted accounting standards, these financial statements present the financial position, results of operations, and cash flows of the applicable fund types governed by the Board of County Commissioners of Liberty County, Florida. As required by the Governmental Accounting Standards Board (GASB) Statement 14, as amended by GASB Statement 39, these financial statements include the operations of the Board and the Constitutional Officers. In addition, each Constitutional Officer has separately issued financial statements.

The accompanying financial statements present the primary government only since there are no component units for which the primary government is considered to be financially accountable.

The Board funds a portion, or in certain instances, all of the operating budgets of the County's Constitutional Officers. Florida Statutes require the applicable budget excess of the Constitutional Officers to be remitted back to the Board at the close of the fiscal year.

Note 2 - Summary of Significant Accounting Policies

The accounting policies of the County conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant policies:

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and b) 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.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The underlying accounting system of the County is organized and operated on the basis of separate funds. A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. Fund accounting is used to ensure and demonstrate compliance with legal, legislative contractual and other finance-related provisions. All of the funds of the County may be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

The County-wide General Fund is comprised of the following six sub funds: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. In order to comply with the generally accepted accounting principles, the actual interfund activity has been consolidated in order to eliminate inflated amounts in the aggregate financial statements of the County-wide General Fund.

The County's major funds are reported as separate columns in the fund financial statements, and non-major funds are aggregated and presented as a single column on each statement. Fund financial statements are presented after the government-wide financial statements. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

The County's fiduciary funds are presented in the fund financial statements. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

GASB Statement 34 sets forth minimum criteria for determination of what are to be considered major funds for financial statement presentation. The County has used GASB 34 minimum criteria for major fund determination. The non-major funds are combined into one column in the respective fund financial statements.

The County reports the following major governmental funds:

- **General Fund-** The general fund is the County's primary operating fund, and the Constitutional Officers' primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund.
- **Transportation Fund-** This fund accounts for fuel tax revenues, charges for services and grants for the construction and maintenance of road projects to be expended for activities related to the County transportation system.
- **Capital Projects Fund-** This fund accounts for the bond proceeds obtained for paving and maintenance of the County road system;

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

The County also reports one proprietary fund, the water fund, which accounts for the activities of the County water system. In addition, the County reports a fiduciary fund, which consists of agency funds which are used to account for the collection and disbursement of monies received by the County on behalf of other governments and individuals.

The accounting policies of the County conform to generally accepted accounting principles as applicable to governments in accordance with the Government Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The government-wide financial statements, as well as the proprietary fund financial statements, are prepared on a full accrual basis using the economic resources measurement focus. Revenues are recorded when earned and The Fiduciary Funds consist of Agency Funds only. Agency funds are prepared on a full accrual basis, but do not have a measurement focus. Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts, activities and funds. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Expenses are recorded when a liability is incurred. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all of the eligibility requirements 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 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 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 landfill closure, compensated absences and other postemployment benefits are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Non-operating revenues are not related to operations and include interest income and grants. Non-operating expenses are not related to operations, such as interest expense.

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Enterprise Activities

For enterprise activities, the County applies all applicable Governmental Accounting Standards Board (GASB) pronouncements. Additionally, the County applies pronouncements issued on or before November 30, 1989, by the Financial Accounting Standards Board (FASB) and its predecessor bodies, unless those pronouncements conflict with or contradict GASB pronouncements. Pursuant to GASB Statement No. 20, the County has elected not to apply all FASB Statements and Interpretations issued after November 30, 1989.

Budgets and Budgetary Accounting

The annual budget, formally adopted by the Board of County Commissioners, serves as the legal authorization for expenditures. Legal budgetary authority and control is established on a fund basis in accordance with Florida Statutes; however, operational control for management purposes is maintained during the year at the lower of the department or fund level. The adopted budget can only be changed by a budget amendment or a budget supplement. Management can transfer appropriations within a fund without the Board of County Commissioners approval unless the transfer affects a budgeted reserve.

Pursuant to Florida Statutes, budget amendments require the approval of the Board of County Commissioners whenever the effect of the amendment is to increase the total appropriations of the fund, to transfer monies between the funds, or to transfer budgeted reserve funds. The total of the estimated receipts, including balances brought forward, must equal the total of the appropriations and reserves, therefore enabling a balanced budget. During the budgeting process, budgets are prepared on a basis consistent with generally accepted accounting principles. All appropriations lapse at year-end.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations and other legally authorized executive changes applicable to the fiscal year, whenever legally authorized.

Cash

The County considers cash and cash equivalents for its statement of cash flows to include cash held in its checking and savings accounts.

Investments

Investments consist of certificates of deposit with original holding maturities of six months or longer. These amounts are stated at cost which approximates fair value.

Receivables

Receivables are shown at their net realizable value and reduced by an allowance for uncollectible accounts.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Due from (to) Other Funds

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Prepaid Items

Certain payments to vendors are made in advance of the accounting period to which the cost related. These payments are reported under the allocation method; i.e., an asset is established at the date of the payment and subsequently amortized over the account periods and are expected to benefit from the initial payment. The Prepaid balances reported on the governmental funds balance sheet are offset by a Non-spendable fund balance classification which indicates these balances do not constitute "available resources."

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right-of-ways, storm-water system, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. 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 the asset or materially extend its useful life are expensed as incurred.

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

<u>Assets</u>	<u>Years</u>
Machinery and Equipment	5-20
Infrastructure	15-25
Plant	30
Improvements to Plant	40

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was capitalized in the enterprise fund during the current year. For assets constructed with governmental fund resources, interest during construction is not capitalized. In accordance with the provisions of GASB Statement No. 34, the County has elected not to retroactively report major infrastructure constructed prior to October 1, 2003.

Deferred Revenues

Deferred revenues reported in the government-wide financial statements represent unearned revenues. The deferred revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Long-Term Obligations

In the government-wide financial statements and the proprietary fund 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 statement of net position.

Deferred Inflows/Outflows of Resources

Deferred inflows of resources reported on applicable governmental fund types represent revenues which are measurable but not available in accordance with the modified accrual basis of accounting. The deferred inflows will be recognized as revenue in the fiscal year they are earned or become available. Deferred outflows of resources represent consumption of net position that is applicable to a future reporting period. Deferred outflows have a positive effect on net position, similar to assets.

Pension and OPEB Related- Pension related and OPEB related Deferred Inflows and Outflows represent the difference between expected and actual experience with regard to economic or demographic factors and changes to assumptions in the measurement of total pension liability, and the differences between expected and actual earnings on pension plan investments, and changes in the County's proportionate share of pension contributions. The Deferred Inflows for OPEB are represent changes in assumptions. These amounts are reported as deferred inflows and outflows of resources, to be recognized in expense over time. Also included in deferred outflows are amounts contributed to the pension plans subsequent to the measurement date. See Note 9 for more information on Pension Related Deferred Inflows and Outflows.

Unavailable Revenues- Unavailable revenues are revenues which are measurable, but not available because they have not been received within the County's period of availability. These revenues are deferred and recorded as deferred outflows of resources in governmental funds financial statements.

Compensated Absences

Upon retirement or resignation, employees may be paid a cash benefit equal to the number of vacation hours accrued up to a maximum amount, based upon the employee's current wage rate. Upon retirement or resignation in good standing, employees are paid a portion of accumulated sick leave. These benefits, plus their related tax and retirement costs are classified as compensated absences. The portion is payable at various percentages depending on years of service and the governmental office of the employee.

Both the current and long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is made. Compensated absences liability is based on current rates of pay. This is accounted for pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*.

Postemployment Benefits Other than Pension Benefits (OPEB)

The County participates and administers an agent single-employer plan under which qualified retired employees are permitted to participate in the health insurance benefits program. Additional information on the County's OPEB liability can be found in Note 10.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method state-wide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The tax levy rate for general operations of the County for the year ended September 30, 2019, was 10 mills.

The tax levy of the County is established by the Board prior to October 1 of each year and the Property Appraiser incorporates the County mileages into the total tax levy, which includes the various municipalities, the County school board, and other taxing authorities.

All property is assessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes become payable on November 1 of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. Taxes paid in March are without discount.

On or prior to June 1, following the tax year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold tax certificates are held by the County.

Governmental Fund Balance Classifications

Governmental fund balances are classified either as non-spendable or spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which constraints are placed on the spending of these fund balances. Fund balances are reported in the governmental fund statements in the following classifications:

Non-spendable Fund Balance

- **Non-spendable** – This component of fund balance consists of amounts that cannot be spent because (a) they are not expected to be converted to cash or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 2 - Summary of Significant Accounting Policies (concluded)

Spendable Fund Balance

- **Restricted** – This component of fund balance consists of amounts that are constrained either (a) externally by third parties, (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- **Committed** – This component of fund balance consists of amounts that can be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the organization’s governing authority (the “Board”). These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) employed to constrain those amounts.
- **Assigned** – This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of respective fund.
- **Unassigned** – This classification is used for (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.
- **Flow Assumption** - When both restricted and unrestricted resources are available for use, it is the Board’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any governmental fund, it is the Board’s policy to use committed resources first, then assigned, and then unassigned as needed.

Restricted Cash and Investments

Cash and investments of \$384,673 in the landfill special revenue fund were restricted for landfill closure purposes.

Encumbrances

Encumbrances represent commitments in the form of purchase orders which are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances do not represent expenditures or liabilities. The County does not record encumbrances outstanding at year-end.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 3 - Cash Deposits and Investments

At September 30, 2019, the carrying amount of the County's deposits was \$6,672,963 Chapter 280 of the Florida Statutes provides that qualified public depositories must maintain eligible collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the twelve months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the county agency's name, nor specify which collateral is held for the county agency's benefit. The Public Deposit Security Trust Fund, as created under the laws of the State of Florida, would be required to pay the county agency for any deposits not covered by depository insurance or collateral pledged by the depository, as previously described.

Cash Deposits

The following is a summary of the carrying value of bank deposits and cash on hand at September 30, 2019:

Cash and Cash Equivalents:	
Cash in Checking Accounts	<u>\$ 6,750,409</u>
Total Cash and Cash Equivalents	<u><u>\$ 6,750,409</u></u>

Investments

At September 30, 2019, the County had investments in certificates of deposit held at two local banks in Bristol of \$3,919,071. Of this amount, all certificates of deposits have maturity dates of less than one year.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, or the failure of the counterparty, the government's deposits may not be returned to it, or the government may not be able to recover the value of its investments that are in the possession of an outside party.

All cash resources of the County are placed in banks that are qualified public depositories, as required by law (Florida Security for Public Deposits Act). Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that the County's funds are entirely collateralized throughout the fiscal year. In the event of failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 3 - Cash Deposits and Investments (concluded)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At September 30, 2019, the County did not hold any investments that were considered to be an interest rate risk.

Credit Risks

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. At September 30, 2019, the County did not hold any investments that were considered to be a credit risk.

Custodial Risk

For an investment, there is a risk that in the event of a bank failure or the failure of the counterparty to a transaction, the government will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The County's investments are excluded from the definition of custodial credit risk.

Concentration of Credit Risk

At September 30, 2019, the County did not hold any investments that were considered to be a concentration of credit risk.

Note 4- Receivables

Receivables at September 30, 2019, consist of the following:

	<u>General Fund</u>	<u>Ambulance Fund</u>	<u>Solid Waste Fund</u>	<u>Water Fund</u>	<u>Total</u>
Receivables:					
Gross Receivables	\$ 16,357	\$ 111,907	\$ 600,957	\$ 71,560	\$ 800,781
Allowance for Uncollectible	<u>0</u>	<u>(54,259)</u>	<u>(563,501)</u>	<u>(38,991)</u>	<u>(656,751)</u>
Total Receivables, net	<u>\$ 16,357</u>	<u>\$ 57,648</u>	<u>\$ 37,456</u>	<u>\$ 32,569</u>	<u>\$ 144,030</u>

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 5 – Interfund Receivables, Payables and Transfers

Interfund balances at September 30, 2019, consisted of the following:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 242,651	\$ 2,699,315
Transportation Fund	1,255,883	0
Other Governmental Funds	1,269,113	163,233
Water Fund	<u>94,901</u>	<u>0</u>
Total Due From/To Other Funds	<u>\$ 2,862,548</u>	<u>\$ 2,862,548</u>

The general fund has amounts due to and from Constitutional Officers, which predominately represents the return of the excess due at the end of the fiscal year, from either budget officers or fee officers. Remaining balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

Interfund transfers for the year ended September 30, 2019, consisted of the following:

	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 78,855	\$ 388,761
Transportation Fund	247,254	60,000
Other Governmental Funds	395,574	325,922
Water Fund	<u>65,000</u>	<u>12,000</u>
Total Interfund Transfers	<u>\$ 786,683</u>	<u>\$ 786,683</u>

The purposes of these interfund transfers were to (a) fund budgetary requirements of other funds or Constitutional Officers, (b) meet grant requirements, or (c) to meet state requirements to expend revenues that were collected in another fund.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 6 - Capital Assets

	Beginning Balance 10/1/2018	Increases	(Decreases)	Ending Balance 9/30/2019
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 651,192	\$ 0	\$ 0	\$ 651,192
Construction in Progress	394,375	0	0	394,375
Total Capital Assets Not Being Depreciated	1,045,567	0	0	1,045,567
Capital Assets Being Depreciated:				
Buildings and Improvements	7,924,318	223,670	(376,200)	7,771,788
Machinery and Equipment:	7,530,175	1,450,154	(683,626)	8,296,703
Infrastructure	25,059,089	1,636,979	0	26,696,068
Total Capital Assets Being Depreciated	40,513,582	3,310,803	(1,059,826)	42,764,559
Less Accumulated Depreciation:				
Buildings and Improvements	(2,923,848)	(234,399)	376,200	(2,782,047)
Machinery and Equipment	(4,793,440)	(581,889)	683,626	(4,691,703)
Infrastructure	(6,777,848)	(1,048,704)	0	(7,826,552)
Total Accumulated Depreciation	(14,495,136)	(1,864,992)	1,059,826	(15,300,302)
Total Capital Assets Being Depreciated, Net	26,018,446	1,445,811	0	27,464,257
Total Governmental Activities Capital Assets, Net	27,064,013	1,445,811	0	28,509,824
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	36,520	0	0	36,520
Construction in Progress	374,146	0	(374,146)	0
Total Capital Assets Not Being Depreciated	410,666	0	(374,146)	36,520
Capital Assets Being Depreciated				
Plant, System and Improvements	4,483,173	1,058,244	0	5,541,417
Machinery and Equipment	12,986	0	0	12,986
Total Capital Assets Being Depreciated	4,496,159	1,058,244	0	5,554,403
Less Accumulated Depreciation:				
Plant, System and Improvements	(2,716,653)	(151,144)	0	(2,867,797)
Machinery and Equipment	(12,986)	0	0	(12,986)
Total Accumulated Depreciation	(2,729,639)	(151,144)	0	(2,880,783)
Total Capital Assets Being Depreciated, Net	1,766,520	907,100	0	2,673,620
Business-Type Activities Capital Assets, Net	\$ 2,177,186	\$ 907,100	\$ (374,146)	\$ 2,710,140
Governmental Activities:				
General Government				\$ 137,376
Public Safety				224,977
Physical Environment				32,368
Transportation				1,351,709
Human Services				38,233
Culture and Recreation				80,330
Total Depreciation Expense				1,864,992
Business-Type Activities:				
Water				151,144
Total Depreciation Expense				\$ 2,016,136

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 7 - Long-Term Debt

Summary of Changes in Long-Term Liabilities

The following is a summary of changes in long-term debt for the year ended September 30, 2019:

	Balance 10/1/2018	Additions	Reductions	Balance 9/30/2019	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 272,379	\$ 65,948	\$ 3,579	\$ 334,748	\$ 83,687
Notes Payable	101,669	0	4,475	97,194	5,000
Equipment Loan	107,053	0	25,907	81,146	26,576
Equipment Lease Purchase	116,000	121,000	116,000	121,000	121,000
Landfill Closure Costs	482,347	10,612	0	492,959	0
Other Postemployment Benefits	1,636,153	135,052	0	1,771,205	0
Net Pension Liability	7,145,455	1,293,811	0	8,439,266	0
Total Governmental Activities	9,861,056	1,626,423	149,961	11,337,518	236,914
Business-type Activities:					
Bonds Payable	518,341	0	17,000	501,341	16,000
Total Business-type Activities	518,341	0	17,000	501,341	16,000
Total Long-term Liabilities	\$10,379,397	\$ 1,626,423	\$ 166,961	\$ 11,838,859	\$252,914

In as much as records kept for compensated absences relate only to hours earned, used and available, the effect of changes in individual employee compensation rates on changes in the reported value of the liability for compensated absences cannot be reasonably estimated. Accordingly, only the net change in compensated absences payable is shown.

Governmental Activities

Notes Payable

During the 2003-2004 fiscal year, the County received long-term financing from the U.S. Department of Agriculture totaling \$145,000 for the Hosford Fire Station. Note Payables of \$145,000 were issued on November 18, 2004, at an interest rate of 4.5%. The bonds mature in 2034. Annual payments of \$4,000 plus interest are increasing to \$8,000 plus interest.

Note Payable, USDA \$97,194

Equipment Loan Payable

During the 2017 fiscal year, the County borrowed \$133,500 from People's South Bank (Blountstown) to purchase a garbage truck. The Note is a demand loan with five annual payments of \$28,571 beginning October 15, 2017. This loan is collateralized as a General Obligation of Liberty County.

Balance \$81,146

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 7 - Long-Term Debt (continued)

Lease Purchase Agreement

The County entered into a lease purchase agreement to buy a Mack Tractor Trailer. The actual lease amount was \$126,000 but additional underwriting costs put the financing total at \$134,006. The County is scheduled to make a \$5,000 payment at signing, and four annual payments of \$32,252 starting on December 5, 2020. It has been the practice of the County to pay the lease off annually and purchase a new truck.

Balance \$121,000

Business-type Activities

1998 Revenue Bonds

During the 1998-1999 fiscal year, the County received long-term financing from the U.S. Department of Agriculture totaling \$717,000 for the County's Water Facilities Improvement Project. Revenue bonds of \$567,000 and \$150,000 were issued on November 20, 1998, at an interest rate of 4.75%. The net revenues of the water system are pledged to repay the bonds issued. Interest payments were due beginning September 1, 1999, and principal payments were due beginning September 1, 2001. The bonds mature in 2038.

Bonds Payable \$501,341

During the 2018-2019 fiscal year, interest expense for business-type activity debt totaled \$24,653, none of which was capitalized.

Maturities of Long-Term Debt

Governmental activities debt service requirements to maturity (excluding compensated absences, other postemployment benefits and the estimated landfill closure, post closure costs and pension liability) are as follows:

Year	Principal
2020	\$ 152,576
2021	32,227
2022	32,343
2023	5,000
2024	6,000
2025-2029	32,000
2030-2034	39,194
Total	\$ 299,340

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 7 - Long-Term Debt (concluded)

Business-type activities debt service requirements to maturity are as follows:

Year	Principal
2020	\$ 17,000
2021	17,000
2022	18,000
2023	19,000
2024	20,000
2025-2029	118,000
2030-2034	155,000
2035-2038	137,341
Total	\$ 501,341

Note 8 - Other Disclosures

Established a new fund – Emergency Management Fund.

The County established a new fund to account for the activity of the emergency management department, which was previously reported as a department within the general fund.

The following fund had deficit fund equity balances at September 30, 2019, in the amount shown below:

Other Governmental Funds	
Emergency Management	\$ (14,420)
Solid Waste	\$ (50,758)

Note 9 – Employee Retirement Plan

Defined Benefit Plans

Plan Description

The County participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability and death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 9 – Employee Retirement Plan (continued)

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multi-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retirees' Health Insurance Subsidy (HIS) Program is a cost-sharing, multi-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under FRS are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 9 – Employee Retirement Plan (continued)

Contributions

The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The County's contribution rates for the year ended September 30, 2019 were as follows:

	Year Ended June 30, 2019		Year Ended June 30, 2020	
	FRS	HIS	FRS	HIS
Regular Class	6.54%	1.66%	6.75%	1.66%
Elected County Officers	46.98%	1.66%	47.10%	1.66%
Senior Management	22.34%	1.66%	23.69%	1.66%
Special Risk Employee Class	22.78%	1.66%	23.76%	1.66%
DROP Plan Participants	12.37%	1.66%	12.94%	1.66%

The County's contributions for the year ended September 30, 2019, were \$654,442 to FRS and \$58,095 to HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2019, the County reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2019, and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuation date July 1, 2018. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability at June 30, 2019	\$ 7,268,646	\$ 1,170,620
Proportion at:		
Current Measurement Date	0.02110609%	0.01046223%
Prior Measurement Date	0.02020816%	0.01000228%
Pension Expense (Benefit)	\$ 1,906,732	\$ 84,341

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 9 – Employee Retirement Plan (continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 431,124	\$ 4,511
Changes of assumptions	1,866,901	0
Net difference between projected and actual earnings on Pension Plan Investments	0	402,139
Changes in proportion and differences between employer contributions and proportionate share of contributions	470,251	343,246
Employer contributions subsequent to the measurement date	170,347	0
Total	\$ 2,938,623	\$ 749,896

	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,218	\$ 1,433
Changes of assumptions	135,547	95,677
Net difference between projected and actual earnings on Pension Plan Investments	755	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	110,230	104,569
Employer contributions subsequent to the measurement date	15,024	0
Total	\$ 275,774	\$ 201,679

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 9 – Employee Retirement Plan (continued)

Deferred outflows or resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2019. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Measurement period ending June 30,	FRS	HIS
2020	\$ 738,629	\$ 17,320
2021	221,747	12,147
2022	507,037	14,645
2023	392,193	(3,243)
2024	123,286	1,860
Thereafter	35,488	16,342
Total	\$ 2,018,380	\$ 59,071

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2019, was determined by an actuarial valuation dated July 1, 2018, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary Increase	3.25% Average, Including Inflation	3.25%
Discount Rate	6.90%	3.50%
Long-term Expected Rate of Return, Net of Investment Income	6.90%	N/A
Municipal Bond	N/A	3.50%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation date June 30, 2019 were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 9 – Employee Retirement Plan (continued)

The following changes in key actuarial assumptions occurred in 2019:

- FRS: The long-term expected rate of return was decreased from 7.00% to 6.90% and the active member mortality assumption was updated.
- HIS: The municipal rate used to determine total pension liability was decreased from 3.87% to 3.50%.
- The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For FRS, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

Asset Class	Target Allocation	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1%	3.3%	3.3%	1.2%
Fixed income	18%	4.1%	4.1%	3.5%
Global equity	54%	8.0%	6.8%	16.5%
Real estate (property)	11%	6.7%	6.1%	11.7%
Private equity	10%	11.2%	8.4%	25.8%
Strategic investments	6%	5.9%	5.7%	6.7%
	<u>100%</u>			
Assumed Inflation-Mean			2.6%	1.7%

Discount Rate

The discount rate used to measure the total pension liability for FRS was 6.90%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because HIS is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.50% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the County's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 9 – Employee Retirement Plan (concluded)

	FRS		
	Current		
	1% Decrease	Discount Rate	1% Increase
Employer's proportionate share of the net pension liability	\$12,565,067	\$7,268,645	\$2,845,237
	HIS		
	Current		
	1% Decrease	Discount Rate	1% Increase
Employer's proportionate share of the net pension liability	\$1,336,322	\$1,170,619	\$1,032,608

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class.

Note 10 – Other Post-Employment Benefits (OPEB)

Plan Description

The County has established the Retiree's Health Insurance Other Post-Employment Benefits Plan, a single employer plan. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the County, Sheriff, Clerk of Courts, Tax Collector, Property Appraiser, Supervisor of Elections, and eligible dependents, may continue to participate in the group insurance plan. The Plan which is administered by the County, allows employees who retire and meet retirement eligibility requirements under the Florida Retirement System and the Retiree Health Insurance Subsidy program administered by the State of Florida to continue medical insurance coverage as a participant in the County's plan. For purposes of applying, Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust. The Board of County Commission assumes the liability and pays for all post-employment benefits for all eligible participants of the County and Constitutional Officers. The Plan does not issue a separate financial report.

**LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Note 10 – Other Post-Employment Benefits (OPEB) (continued)

Employees Covered by Benefit Terms:

At October 1, 2017, the following employees were covered by the benefit terms:

Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	17
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	97
	114

Benefits Provided:

A retired employee and his or her spouse and eligible dependents are eligible to continue health insurance identical to active employees if they meet the eligibility for retirement under the applicable retirement plan. The County subsidizes health care costs for those who elect to remain covered by the Plan upon retirement.

For participants hired before August 8, 2013, the County contributes the difference between the monthly premium and the Board determined active employee monthly contribution, not to exceed \$300 monthly for Employee Only Coverage and \$600 monthly for all other coverage levels. Board Determined active employee monthly contribution levels are indicated below:

<u>Coverage Level</u>	<u>Active Employee Monthly Contribution</u>
Employee Only	\$110
Employee + Spouse	\$280
Employee + Children	\$250
Employee + Family	\$380
One Medicare	\$110
Two Medicare	\$280

For participants hired on or after August 8, 2013, the County contributes \$5 for every year of service with the County, not to exceed \$150 monthly. Effective January 1, 2018, retiring participants must be eligible for the state sponsored RHIS in order to receive any subsidy from the County.

TOTAL OPEB LIABILITY

The measurement date is September 30, 2019.

The measurement period for the OPEB expense was October 1, 2018 to September 30, 2019.

The reporting period is October 1, 2018 through September 30, 2019.

The County's Total OPEB Liability was measured as of September 30, 2019.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 10 – Other Post-Employment Benefits (OPEB) (continued)

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2017, updated to September 30, 2019 using the following actuarial assumptions:

Inflation Rate	2.50%
Salary Increase Rate(s)	3.25%
Discount Rate	3.58%
Initial Trend Rate	8.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	55

All mortality rates were based on the RP-2000 mortality tables. All mortality rates are those outlined in Milliman’s July 1, 2017 Florida Retirement System (FRS) valuation report.

Mortality – Active Lives:

For female lives, 100% of the Combined Healthy White-Collar table was used. For male (non-special risk) lives, a 50% Combined Healthy White-Collar table, 50% Combined Healthy Blue-Collar table blend was used. For male special risk lives, a 10% Combined Healthy White-Collar table, 90% Combined Healthy Blue-Collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB.

Mortality – Inactive Healthy Lives:

For female lives, 100% of the Annuitant White-collar table was used. For male (non-special risk) lives, a 50% Annuitant White-Collar table, 50% Annuitant Blue-Collar table blend was used. For male special risk lives, a 10% Annuitant White-Collar table, 90% Annuitant Blue-Collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement sale BB.

Mortality – Disabled Lives:

For female (non-special risk) lives, 100% of the Disabled Female table was used, set forward two years. For female special risk lives, a 60% Disabled Female table, 40% Annuitant White-Collar table with no setback blend was used. For male (non-special risk) lives, 100% of the Disabled Male table was used, set back four years. For male special risk lives, a 60% Disabled Male table, 40% Annuitant White-Collar table with no setback blend was used. Disabled mortality has not been adjusted for mortality improvement.

Discount Rate:

Given the County’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.58%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index, as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard & Poor’s Corp.’s AA.

**LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Note 10 – Other Post-Employment Benefits (OPEB) (concluded)

CHANGE IN TOTAL OPEB LIABILITY

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2018	\$ 1,636,153
Changes for the Year:	
Service Cost	92,600
Interest	69,733
Differences between Expected and Actual Experience	0
Changes of assumptions	94,961
Changes of benefit terms	0
Contributions – Employer	0
Benefit Payments	(122,242)
Other Changes	0
Net Changes	135,052
Reporting Period Ending September 30, 2019	\$ 1,771,205

Changes in assumptions reflect a change in the discount rate from 4.18% for the reporting period ended September 30, 2018, to 3.58% for the reporting period ended September 30, 2019.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate:

The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor’s Total OPEB Liability would be if it were calculated using healthcare cost trends rates, that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
Total OPEB Liability (Asset)	\$1,948,001	\$1,771,205	\$1,617,081

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates:

The following presents the Total OPEB Liability of the County, as well as what the County’s Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.00% - 7.50%	Healthcare Cost Trend Rates 4.00% - 8.50%	1% Increase 5.00% - 9.50%
Total OPEB Liability (Asset)	\$1,713,467	\$1,771,205	\$1,841,427

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 11 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and the public, or damage to property of others. The County obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- Automobile Liability

The County participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability of each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 12 - Landfill Closure and Post Closure Costs

The County has obtained engineering estimates of future costs to monitor its sanitary landfill site in accordance with state and federal guidelines. U.S. Environmental Protection Agency regulations and related GASB Statement No. 18 require that all municipal solid waste landfill owners account for closure and post closure costs. State and federal laws and regulations require the County to place a final cover on its landfill when closed and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The landfills capacity was estimated at 100% as of September 30, 2019. For the year ending September 30, 2019, the County did not incur any closure costs that were reimbursed out of the landfill management escrow accounts. The County received a new cost estimate from their engineering firm for the landfill closure and monitoring liability as of September 25, 2018. The accrued cost for closure was \$232,500 and post closure care of \$260,458 (\$8,682 per year) for a total liability as of September 30, 2018, of \$492,959.

All amounts recognized are based on an estimate by the County's consulting engineers of the cost to perform all closure and post closure care as of September 25, 2018. Actual costs may vary due to inflation, changes in technology, or changes in laws and regulations. The County is required by state and federal laws and regulations to establish escrow accounts for closure and post closure costs of the landfill. The County is required to have the estimated cost of closure (\$232,500) and one-year monitoring of \$8,682 for a total requirement of \$241,182. The County has complied with these requirements by depositing \$384,673 into restricted landfill management escrow accounts.

Note 13 - Commitments and Contingencies

Pending Litigation

The County is a defendant in several miscellaneous lawsuits. The County's legal counsel cannot ascertain the potential liability for these lawsuits. No liability has been recorded in the financial statements for these potential liabilities.

Commitments

The County has several outstanding contract obligations at year end. They are all related to capital improvement type construction contracts for paving and water systems improvements.

LIBERTY COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 14 - Grants

The County participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for, or including the year ended September 30, 2019, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the County expects such amounts, if any, to be immaterial.

Note 15 - Conduit Debt Obligation

On December 4, 2003, the County entered into an agreement with a corporation to issue industrial revenue bonds not to exceed \$30,000,000 for the construction of a solid waste disposal facility in the County. The bonds will be payable solely from the revenues derived from the loan agreement between the County and the corporation. Neither the County, nor the State of Florida, or any political subdivision thereof, will be obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as a liability in the accompanying financial statements.

Note 16 – Fund Balance Classifications

The following is a summary of the County’s fund balance classifications and the purpose of each as of September 30, 2019:

Restricted Fund Balance:	
General Fund	\$ 131,258
Transportation Fund	3,809,471
Capital Projects	820,136
Landfill Fund	384,673
Voted Gas Tax Fund	207,359
Liberty Transit Fund	581,095
Emergency Management Fund	(14,420)
Public Safety	226,877
Police Training	4,250
Law Enforcement Trust	9,573
Sheriff	61,612
Clerk	106,295
Total Restricted Fund Balance	<u>6,328,179</u>
Unassigned Fund Balance:	
General Fund	4,273,692
Ambulance Fund	234,257
Landfill Fund	(68,670)
Solid Waste	(50,758)
Total Unassigned Fund Balance	<u>4,388,521</u>
Total Fund Balance	<u><u>\$ 10,716,700</u></u>

REQUIRED SUPPLEMENTAL INFORMATION

LIBERTY COUNTY, FLORIDA
FLORIDA RETIREMENT SYSTEM PENSION PLAN
SCHEDULE OF THE COUNTY'S PROPRTIONATE SHARE OF THE NET PENSION LIABILITY
SEPTEMBER 30, 2019

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>
County's Proportion of the Net Pension Liability	0.021106094%	0.020208158%	0.020409400%	0.021194900%
County's Proportionate Share of the Net Pension Liability	\$ 7,268,646	\$ 6,086,802	\$ 6,036,964	\$ 5,351,729
County's Covered-Employee Payroll (FYE 9/30)	\$ 3,435,597	\$ 3,329,149	\$ 3,285,923	\$ 1,822,785
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	211.57%	182.83%	183.72%	293.60%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%	84.26%	83.89%	84.88%

Notes to Schedule:

The amounts presented for the Net Pension Liability were determined using a measurement date of June 30.

The Covered- Employee Payroll is for the fiscal year shown.

The Schedule will build to 10 years as information becomes available.

**LIBERTY COUNTY, FLORIDA
 FLORIDA RETIREMENT SYSTEM PENSION PLAN
 SCHEDULE OF COUNTY CONTRIBUTIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>
Contractually Required Contributions	\$ 654,442	\$ 575,916	\$ 547,048	\$ 523,928
Contributions in Relation to the Contractually Required Contribution	<u>(654,442)</u>	<u>(575,916)</u>	<u>(547,048)</u>	<u>(523,928)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
County's Covered-Employee Payroll	\$ 3,435,597	\$ 3,329,149	\$ 3,285,923	\$ 1,822,785
Contributions as a Percentage of Covered-Employee Payroll	19.05%	17.30%	16.65%	28.74%

Notes to Schedule:

The Schedule will build to 10 years as information becomes available.

LIBERTY COUNTY, FLORIDA
HEALTH INSURANCE SUBSIDY PENSION PLAN
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE PENSION LIABILITY
SEPTEMBER 30, 2019

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>
County's Proportion of the Net Pension Liability	0.01046223%	0.01000229%	0.10362500%	0.010213904%
County's Proportionate Share of the Net Pension Liability	\$ 1,170,620	\$ 1,058,653	\$ 1,108,006	\$ 1,190,388
County's Covered-Employee Payroll (FYE 9/30)	\$ 3,435,597	\$ 3,329,149	\$ 3,285,923	\$ 1,822,785
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	34.07%	31.80%	34.00%	65.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.63%	2.15%	1.64%	0.97%

Notes to Schedule:

The amounts presented for the Net Pension Liability were determined using a measurement date of June 30.

The Covered-Employee Payroll is for the fiscal year shown.

The Schedule will build to 10 years as information becomes available.

**LIBERTY COUNTY, FLORIDA
HEALTH INSURANCE SUBSIDY PENSION PLAN
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>
Contractually Required Contributions	\$ 58,095	\$ 54,243	\$ 54,616	\$ 54,406
Contributions in Relation to the Contractually Required Contribution	<u>(58,095)</u>	<u>(54,243)</u>	<u>(54,616)</u>	<u>(54,406)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
County's Covered-Employee Payroll	\$ 3,435,597	\$ 3,329,149	\$ 3,285,923	\$ 1,822,785
Contributions as a Percentage of Covered-Employee Payroll	1.69%	1.63%	1.66%	2.98%

Notes to Schedule:

The Schedule will build to 10 years as information becomes available.

LIBERTY COUNTY, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)
SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS
AND RELATED RATIOS
AS OF SEPTEMBER 30, 2019

Actuarial Valuation Date	10/1/2018	10/1/2017
Measurement Date	9/30/2019	9/30/2018
Reporting Date	<u>9/30/2019</u>	<u>9/30/2018</u>
Total OPEB Liability		
Service Cost	\$ 92,600	\$ 97,854
Interest on the Total OPEB Liability	69,733	62,354
Changes of Benefit Terms	0	0
Changes of Assumptions	94,961	(82,385)
Differences Between Expected and Actual Experience	0	0
Benefit Payments	<u>(122,242)</u>	<u>(112,665)</u>
Net Change in Total OPEB Liability	135,052	(34,842)
Total OPEB Liability - Beginning of Year	<u>1,636,153</u>	<u>1,670,995</u>
Total OPEB Liability - End of Year	<u><u>1,771,205</u></u>	<u><u>1,636,153</u></u>
Net OPEB Liability	<u><u>\$ 1,771,205</u></u>	<u><u>\$ 1,636,153</u></u>
Estimated Covered-employee Payroll	\$ 3,333,481	\$ 3,228,553
Total OPEB Liability as a percentage of Covered-employee Payroll	53.13%	50.68%

Note to Schedule:

10 years of data will be displayed as information becomes available.

Covered-employee Payroll. Covered payroll is projected to the fiscal year end based on actual covered payroll as of the valuation date.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Fiscal Year Ending September 30, 2019 :	3.58%
Fiscal Year Ending September 30, 2018 :	4.18%
Fiscal Year Ending September 30, 2017 :	3.64%

ACCOMPANYING INFORMATION

**LIBERTY COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

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Special Revenue

	Ambulance	SHIP Fund	Landfill	Voted Gas Tax
Assets				
Cash	\$ 0	\$ 383,823	\$ 330,768	\$ 0
Investments	0	0	53,959	0
Reveivables (Net)	57,648	0	0	0
Prepaid Items	0	0	0	0
Due from Other Funds	348,344	0	0	176,831
Due from Other Governments	0	9,553	17,245	58,036
Due from Individuals	0	0	0	0
Total Assets	405,992	393,376	401,971	234,866
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Expenses	10,804	0	3,842	0
Due to Individuals	0	0	0	0
Due to Other Funds	0	0	82,126	0
Due to Other Governments	0	0	0	0
Deferred Revenues	160,930	393,376	0	0
Total Liabilities	171,735	393,376	85,968	0
Deferred Inflows of Resources				
Unavailable Revenues	0	0	0	27,507
Fund Balances				
Nonspendable	0	0	0	0
Restricted	0	0	384,673	207,359
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	234,257	0	(68,670)	0
Total Fund Balances	234,257	0	316,003	207,359
Total Liabilities and Fund Balances	\$ 405,992	\$ 393,376	\$ 401,971	\$ 234,866

**LIBERTY COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

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	Special Revenue			
	Liberty Transit	Emergency Management	Public Safety 911	Solid Waste
Assets				
Cash	\$ 0	\$ 0	\$ 0	\$ 0
Investments	0	0	0	0
Reveivables (Net)	0	0	0	37,456
Prepaid Items	0	0	0	0
Due from Other Funds	543,069	0	187,268	0
Due from Other Governments	102,082	31,431	41,000	0
Due from Individuals	0	0	0	0
Total Assets	645,150	31,431	228,268	37,456
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Expenses	64,056	887	1,391	52,072
Due to Individuals	0	0	0	0
Due to Other Funds	0	44,964	0	36,142
Due to Other Governments	0	0	0	0
Deferred Revenues	0	0	0	0
Total Liabilities	64,056	45,851	1,391	88,214
Deferred Inflows of Resources				
Unavailable Revenues	0	0	0	0
Fund Balances				
Nonspendable	0	0	0	0
Restricted	581,095	(14,420)	226,877	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	(50,758)
Total Fund Balances	581,095	(14,420)	226,877	(50,758)
Total Liabilities and Fund Balances	\$ 645,150	\$ 31,431	\$ 228,268	\$ 37,456

**LIBERTY COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

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	Special Revenue			
	Police Training	Law Enforcement Trust	Sheriff Special Revenue	Clerk of the Circuit Court Court Related
Assets				
Cash	\$ 0	\$ 0	\$ 61,612	\$ 36,159
Investments	0	0	0	0
Reveivables (Net)	0	0	0	0
Prepaid Items	0	0	0	0
Due from Other Funds	4,093	9,509	0	0
Due from Other Governments	0	0	0	6,732
Due from Individuals	158	64	0	0
Total Assets	4,250	9,573	61,612	42,891
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Expenses	0	0	0	0
Due to Individuals	0	0	0	0
Due to Other Funds	0	0	0	0
Due to Other Governments	0	0	0	18,359
Deferred Revenues	0	0	0	24,532
Total Liabilities	0	0	0	42,891
Deferred Inflows of Resources				
Unavailable Revenues	0	0	0	0
Fund Balances				
Nonspendable	0	0	0	0
Restricted	4,250	9,573	61,612	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total Fund Balances	4,250	9,573	61,612	0
Total Liabilities and Fund Balances	\$ 4,250	\$ 9,573	\$ 61,612	\$ 42,891

**LIBERTY COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

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	Special Revenue		Total
	Clerk of the Circuit Court Child Support	Clerk of the Circuit Court Modernization	Nonmajor Governmental Funds
Assets			
Cash	\$ 74,628	\$ 25,645	\$ 912,635
Investments	0	0	53,959
Reveivables (Net)	0	0	95,104
Prepaid Items	0	0	0
Due from Other Funds	0	0	1,269,112
Due from Other Governments	6,385	0	272,463
Due from Individuals	0	0	222
Total Assets	81,013	25,645	2,603,495
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	363	0	133,415
Due to Individuals	0	0	0
Due to Other Funds	0	0	163,232
Due to Other Governments	0	0	18,359
Deferred Revenues	0	0	578,838
Total Liabilities	363	0	893,845
 Deferred Inflows of Resources			
Unavailable Revenues	0	0	27,507
 Fund Balances			
Nonspendable	0	0	0
Restricted	80,650	25,645	1,567,314
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	114,829
Total Fund Balances	80,650	25,645	1,682,143
 Total Liabilities and Fund Balances	\$ 81,013	\$ 25,645	\$ 2,603,495

LIBERTY COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

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	Special Revenue			
	Ambulance	SHIP Fund	Landfill	Voted Gas Tax
Revenues				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0	0
Intergovernmental	2,106	375,158	91,890	338,094
Charges for Services	278,088	0	18,775	0
Fines and Forfeitures	0	0	0	0
Miscellaneous	0	1,338	1,705	0
Total Revenues	280,194	376,496	112,370	338,094
Expenditures				
Current:				
General Government	0	0	0	0
Public Safety	537,729	0	0	0
Physical Environment	0	386,048	155,524	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Human Services	0	0	0	0
Culture and Recreation	0	0	0	0
Court Related	0	0	0	0
Debt Service:				
Principal Payments	0	0	25,907	0
Interest	0	0	2,664	0
Capital Outlay	19,937	0	1,240	0
(Total Expenditures)	(557,666)	(386,048)	(185,335)	0
(Deficiency) Excess of Revenues (Under)				
Over Expenditures	(277,472)	(9,553)	(72,966)	338,094
Other Financing Sources (Uses)				
Gain on Sale of Asset	20,056	0	691	0
Issuance of New Debt	0	0	0	0
Operating Transfers in	239,087	0	75,425	0
Operating Transfers out	0	0	0	(309,067)
Total Other Financing Sources (Uses)	259,143	0	76,116	(309,067)
Net Change in Fund Balances	(18,329)	(9,553)	3,150	29,027
Fund Balances, Beginning of Year	252,586	9,553	312,853	178,332
Fund Balances, End of Year	\$ 234,257	\$ 0	\$ 316,003	\$ 207,359

LIBERTY COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

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	<u>Special Revenue</u>			
	<u>Liberty Transit</u>	<u>Emergency Management</u>	<u>Public Safety 911</u>	<u>Solid Waste</u>
Revenues				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0	0
Intergovernmental	339,943	152,912	236,462	0
Charges for Services	139,664	0	0	439,581
Fines and Forfeitures	0	0	0	0
Miscellaneous	75	866	0	0
Total Revenues	<u>479,682</u>	<u>153,778</u>	<u>236,462</u>	<u>439,581</u>
Expenditures				
Current:				
General Government	0	0	0	0
Public Safety	0	167,200	107,318	0
Physical Environment	0	0	0	433,348
Transportation	477,110	0	0	0
Economic Environment	0	0	0	0
Human Services	0	0	0	0
Culture and Recreation	0	0	0	0
Court Related	0	0	0	0
Debt Service:				
Principal Payments	0	0	0	0
Interest	0	0	0	0
Capital Outlay	196,863	10,247	107,968	0
(Total Expenditures)	<u>(673,973)</u>	<u>(177,446)</u>	<u>(215,287)</u>	<u>(433,348)</u>
(Deficiency) Excess of Revenues (Under)				
Over Expenditures	<u>(194,291)</u>	<u>(23,669)</u>	<u>21,176</u>	<u>6,233</u>
Other Financing Sources (Uses)				
Gain on Sale of Asset	127,654	0	0	0
Issuance of New Debt	0	0	0	0
Operating Transfers in	61,813	9,249	10,000	0
Operating Transfers out	0	0	0	(16,855)
Total Other Financing Sources (Uses)	<u>189,467</u>	<u>9,249</u>	<u>10,000</u>	<u>(16,855)</u>
Net Change in Fund Balances	(4,824)	(14,420)	31,176	(10,622)
Fund Balances, Beginning of Year	585,918	0	195,701	(40,136)
Fund Balances, End of Year	<u>\$ 581,095</u>	<u>\$ (14,420)</u>	<u>\$ 226,877</u>	<u>\$ (50,758)</u>

LIBERTY COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

Page 3 of 4

	Special Revenue			
	Police Training	Law Enforcement Trust	Sheriff Special Revenue	Clerk of the Circuit Court Court Related
Revenues				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0	0
Intergovernmental	0	0	0	179,243
Charges for Services	0	0	0	0
Fines and Forfeitures	2,070	894	0	145,083
Miscellaneous	0	0	38,703	282
Total Revenues	2,070	894	38,703	324,608
Expenditures				
Current:				
General Government	0	0	0	0
Public Safety	0	0	15,847	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Human Services	0	0	0	0
Culture and Recreation	0	0	0	0
Court Related	0	0	0	324,608
Debt Service:				
Principal Payments	0	0	0	0
Interest	0	0	0	0
Capital Outlay	0	0	0	0
(Total Expenditures)	0	0	(15,847)	(324,608)
(Deficiency) Excess of Revenues (Under)				
Over Expenditures	2,070	894	22,856	0
Other Financing Sources (Uses)				
Gain on Sale of Asset	0	0	0	0
Issuance of New Debt	0	0	0	0
Operating Transfers in	0	0	0	0
Operating Transfers out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	2,070	894	22,856	0
Fund Balances, Beginning of Year	2,180	8,679	38,756	0
Fund Balances, End of Year	\$ 4,250	\$ 9,573	\$ 61,612	\$ 0

LIBERTY COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

Page 4 of 4

	<u>Special Revenue</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Clerk of the Circuit Court Child Support</u>	<u>Clerk of the Circuit Court Modernization</u>	
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0
Intergovernmental	36,121	7,961	1,759,890
Charges for Services	0	0	876,108
Fines and Forfeitures	0	0	148,048
Miscellaneous	0	0	42,968
Total Revenues	<u>36,121</u>	<u>7,961</u>	<u>2,827,014</u>
Expenditures			
Current:			
General Government	6,057	0	6,057
Public Safety	0	0	828,094
Physical Environment	0	0	974,920
Transportation	0	0	477,110
Economic Environment	0	0	0
Human Services	0	0	0
Culture and Recreation	0	0	0
Court Related	40,537	6,670	371,815
Debt Service:			
Principal Payments	0	0	25,907
Interest	0	0	2,664
Capital Outlay	36,787	2,549	375,591
(Total Expenditures)	<u>(83,382)</u>	<u>(9,219)</u>	<u>(3,062,159)</u>
(Deficiency) Excess of Revenues (Under)			
Over Expenditures	<u>(47,261)</u>	<u>(1,258)</u>	<u>(235,145)</u>
Other Financing Sources (Uses)			
Gain on Sale of Asset	0	0	148,401
Issuance of New Debt	0	0	0
Operating Transfers in	0	0	395,574
Operating Transfers out	0	0	(325,922)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>218,052</u>
Net Change in Fund Balances	(47,261)	(1,258)	(17,093)
Fund Balances, Beginning of Year	127,910	26,903	1,699,237
Fund Balances, End of Year	<u>\$ 80,650</u>	<u>\$ 25,645</u>	<u>\$ 1,682,144</u>

LIBERTY COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
SEPTEMBER 30, 2019

Page 1 of 2

Clerk of the Courts				
	General Agency	Domestic Relations	Registry of Court	Cash Bond
Assets				
Cash	\$ 36,371	\$ 77	\$ 5,190	\$ 14,352
Due from Other Funds	0	0	0	0
Due from Other Governments	0	0	0	0
Total Assets	36,371	77	5,190	14,352
Liabilities				
Due to Individuals	0	0	0	14,352
Due to Other Funds	0	0	0	0
Unremitted Collections	36,371	77	5,190	0
Total Liabilities	\$ 36,371	\$ 77	\$ 5,190	\$ 14,352

LIBERTY COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
SEPTEMBER 30, 2019

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	<u>Sheriff</u>		<u>Tax Collector</u>		<u>Totals</u>
	<u>Individual Depository</u>	<u>Suspense</u>	<u>Inmate Trust</u>	<u>Tax and Tag</u>	
Assets					
Cash	\$ 2,186	\$ 9,080	\$ 54,453	\$ 63,634	\$ 185,342
Due from Other Funds	0	0	0	0	0
Due from Other Governments	0	0	0	0	0
Total Assets	<u>2,186</u>	<u>9,080</u>	<u>54,453</u>	<u>63,634</u>	<u>185,342</u>
Liabilities					
Due to Individuals	0	0	0	0	14,352
Due to Other Funds	0	0	0	0	0
Unremitted Collections	2,186	9,080	0	63,634	116,538
Total Liabilities	<u>\$ 2,186</u>	<u>\$ 9,080</u>	<u>\$ 0</u>	<u>\$ 63,634</u>	<u>\$ 130,890</u>

COMPLIANCE SECTION

LIBERTY COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDING SEPTEMBER 30, 2019

Federal and State Grantor	CFDA /		Program	
Pass Through Grantor / Program Title	CSFA	Grant I.D.	Award	Federal
Pass Through Grantor / Program Title	Number	Number	Amount	Expenditures
<i>Federal Awards</i>				
U.S. Department of Agriculture				
Pass through Florida Department of Agriculture and Consumer Services				
Schools and Roads-Grants to States	10.665	N/A	\$ 435,945	\$ 435,945
Total U.S. Department of Agriculture			<u>435,945</u>	<u>435,945</u>
 U.S. Department of Housing and Urban Development				
Pass through Florida Department of Economic Opportunity				
Community Development Block Grants (CDBG)	14.228	17-DB-OJ-02-49-01-N 28	700,000	607,106
Total U.S. Department of Housing and Urban Development			<u>700,000</u>	<u>607,106</u>
 U.S. Department of Interior				
Federal Payment in Lieu of Taxes (Secure Rural Schools)				
Federal Payment in Lieu of Taxes (Secure Rural Schools)	15.226	N/A	464,744	464,744
Total U.S. Department of Interior			<u>464,744</u>	<u>464,744</u>
 U.S. Department of Justice				
Pass through Florida Office of the Attorney General				
Victims of Crime Act	16.575	V00364	62,780	62,780
STOP Grant	16.588	19-8055-LE-ENH	71,773	60,054
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-JAGC-LIBE-1-N2-156	18,575	18,575
Total U.S. Department of Justice			<u>153,128</u>	<u>141,409</u>

LIBERTY COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDING SEPTEMBER 30, 2019

Federal and State Grantor	CFDA / CSFA	Grant I.D.	Program Award	Federal
<u>Pass Through Grantor / Program Title</u>	<u>Number</u>	<u>Number</u>	<u>Amount</u>	<u>Expenditures</u>
<i>Federal Awards (continued)</i>				
U.S. Department of Transportation				
Pass through Florida Department of Transportation				
Formula Grants for Rural Areas	20.509	421361-3-84-17	49,123	49,123
Total U.S. Department of Transportation			<u>49,123</u>	<u>49,123</u>
U.S. Election Assistance Commission				
Pass through Florida Department of State				
Help America Vote Act Requirement Payments	90.401	MOA 2018-2018-001, 002	67,942	23,581
Total U.S. Election Assistance Commission			<u>67,942</u>	<u>23,581</u>
U.S. Department of Health and Human Services				
Pass through Florida Department of Revenue				
Child Support Enforcement	93.563	CST39	0	0
Child Support Enforcement	93.563	INCENTIVE	51	51
Child Support Enforcement (Title IV-D)	93.563	COC39	76,569	76,569
Total U.S. Department of Health and Human Services			<u>76,620</u>	<u>76,620</u>
U.S. Department of Homeland Security				
Pass through Florida Division of Emergency Management				
Disaster Grants-Public Assistance	97.036	Z0847-HURRICANE MICHAEL	121,631	121,631
Emergency Management Performance Grant	97.042	16-FG-AF-02-49-01-105	40,102	26,409
Emergency Management Performance Grant	97.042	G0051	40,102	9,231
Total U.S. Department of Homeland Security			<u>201,835</u>	<u>157,271</u>
Total Federal Awards			<u>\$ 2,149,337</u>	<u>\$ 1,955,799</u>

LIBERTY COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Federal and State Grantor Pass Through Grantor / Program Title	CFDA / CSFA Number	Grant I.D. Number	Program Award Amount	Federal Expenditures
<i>State Financial Assistance</i>				
Florida Executive Office of the Governor				
Disaster Grants	31.xxx	Z0847-Hurricane Michael	\$ 6,940	\$ 6,940
Emergency Management Programs	31.063	19-BG-21-02-49-01-144	105,806	89,104
Emergency Management Programs	31.063	A00060	105,806	22,201
Sub-total for CFDA 31.063			<u>211,612</u>	<u>111,305</u>
Total Florida Executive Office of the Governor			<u>218,552</u>	<u>118,245</u>
Florida Department of Environmental Protection				
Small County Solid Waste	37.012	SC922	90,909	90,909
Florida Recreation Development Assistance Program	37.017	A7006/A17006	50,000	49,945
Drinking Water Facility Construction	37.076	DW390120	130,728	48,167
Total Florida Department of Environmental Protection			<u>271,637</u>	<u>189,021</u>
Florida Department of Economic Opportunity				
Water System Grant	40.042	DO122	50,000	50,000
Total Florida Department of Economic Opportunity			<u>50,000</u>	<u>50,000</u>
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program (SHIP)	40.901		450,000	386,048
Total Florida Department of Agriculture and Consumer			<u>450,000</u>	<u>386,048</u>
Florida Department of Agriculture and Consumer Services				
Mosquito Control Grant	42.003	25501	34,481	34,481
Total Florida Department of Agriculture and Consumer Services			<u>34,481</u>	<u>34,481</u>

LIBERTY COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Federal and State Grantor	CFDA /		Program	
Pass Through Grantor / Program Title	CSFA	Grant I.D.	Award	Federal
State Financial Assistance (continued)	Number	Number	Amount	Expenditures
Florida Department of State				
State Aid to Libraries	45.030	19-ST-44	51,715	51,715
Total Florida Department of State			<u>51,715</u>	<u>51,715</u>
Florida Department of Transportation				
Commission for the Transportation Disadvantaged	55.001	G0X42	288,538	205,827
Commission for the Transportation Disadvantaged	55.001	G0Y21	19,575	19,575
Commission for the Transportation Disadvantaged	55.001	G1A44	267,952	62,632
Sub-total for CFDA 55.001			<u>576,065</u>	<u>288,034</u>
County Incentive Grant Program (SR 67)	55.008	G0S51	923,239	388,590
Sub-total for CFDA 55.008			<u>923,239</u>	<u>388,590</u>
Small County Outreach Program (SCOP) (CR379)	55.009	G0S52	1,749,638	61,909
Small County Outreach Program (SCOP) (Neal Subdivision)	55.009	G0S53	831,281	47,368
Small County Outreach Program (SCOP) (Kever)	55.009	G0305	833,902	381,615
Small County Outreach Program (SCOP) (CR333)	55.009	G1025	110,978	102,257
Small County Outreach Program (SCOP) (CR67)	55.009	G1B47	5,726,165	32,711
Small County Outreach Program (SCOP) (CR12)	55.009	G1B79	103,817	16,440
Sub-total for CFDA 55.009			<u>9,355,781</u>	<u>642,300</u>
Small County Road Assistance Program (SCRAP) (Talquin Circle)	55.016	G0S55	373,032	267,334
Small County Road Assistance Program (SCRAP) (CR1641)	55.016	G024	203,432	173,979
Small County Road Assistance Program (SCRAP) (CR 22)	55.016	G0S54	154,635	141,554
Sub-total for CFDA 55.016			<u>731,099</u>	<u>582,867</u>
Total Florida Department of Transportation			<u>11,586,184</u>	<u>1,901,791</u>

LIBERTY COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Federal and State Grantor Pass Through Grantor / Program Title	CFDA / CSFA Number	Grant I.D. Number	Program Award Amount	Federal Expenditures
<i>State Financial Assistance (continued)</i>				
Florida Department of Health				
County Grant Awards	64.005	C7039	1,818	1,818
Total Florida Department of Health			<u>1,818</u>	<u>1,818</u>
Florida Department of Law Enforcement				
Jail Safety Renovation Grant	71.027	G1621	5,984	5,984
Total Florida Department of Law Enforcement			<u>5,984</u>	<u>5,984</u>
Florida Department of Management Services				
Wireless 911 Emergency Telephone System	72.001	18-04-20	49,500	49,500
Wireless 911 Emergency Telephone System	72.001	18-11-10	15,505	15,505
Wireless 911 Emergency Telephone System	72.001	19-04-23	38,055	38,055
Wireless 911 Emergency Telephone System	72.001	19-04-24	2,450	2,450
Total Florida Department of Management Services			<u>105,510</u>	<u>105,510</u>
Total State Financial Assistance			<u>12,775,881</u>	<u>2,844,613</u>
Total State and Federal Financial Assistance			<u>\$ 14,925,218</u>	<u>\$ 4,800,412</u>

LIBERTY COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Note 1 - General

The accounting policies and presentation of the accompanying schedule of expenditures of federal awards and state financial assistance of Liberty County, Florida (the "County"). Have been designed to conform with generally accepted accounting principles applicable to governmental units. The information in these schedules is presented in accordance with the requirement of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General* of the State of Florida.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance projects includes the federal and state award activity of Liberty County, Florida, and is presented using the same basis of accounting as the fund in which the grant is recorded, generally the accrual or modified accrual basis of accounting, as described in Note 2 to the County's financial statements.

Note 3 - Contingencies

Grant monies received and disbursed by the County are for specific purposes and are subject to review by grantor agencies. Such audits may result in requests for reimbursements due to disallowances of expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County.

OTHER REPORTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Honorable Board of County Commissioners
and Constitutional Officers
Liberty County, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited Liberty County, Florida's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (*OMB Compliance Supplement*) and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state financial assistance projects for the year ended September 30, 2019. The County's major federal programs and major state financial assistance projects are identified in the summary of auditors' 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 and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state financial assistance projects 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; the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards, Uniform Guidance and Chapter 10.550 Rules of the Florida Auditor General 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 or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the County'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 and major state financial assistance project. However, our audit does not provide a legal determination of the County's compliance with those requirements.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL (Continued)**

Opinion on the Major Federal Program and State Financial Assistance Projects

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs or major state financial assistance projects for the year ended September 30, 2019.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on each major federal program and major state assistance project in order 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 major state financial assistance project and to test and report on internal control over compliance in accordance with Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, 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 the County'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 or state financial assistance project 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 or state financial assistance project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this communication is not suitable for any other purpose.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL (Concluded)**

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

We have audited the financial statements of the County as of and for the year ended September 30, 2019, and have issued our report thereon dated June 30, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditure of federal awards and state financial assistance is presented for the purposes of additional analysis as required by Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements taken as a whole.

Moran & Smith LLP

Moran & Smith LLP
June 30, 2020
Quincy, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

The Honorable Board of County Commissioners
and Constitutional Officers
Liberty County, Florida

We have examined the Liberty County, Florida's (the "County") compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2019, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on County's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants, and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the County's compliance with specific requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the County and its management, and the Board of Commissioners of Liberty County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Moran & Smith LLP

Moran & Smith LLP
June 30, 2020
Quincy, Florida

**INDEPENDENT ACCOUNTANT’S REPORT ON
COMPLIANCE WITH SECTION 365.172(10)
AND SECTION 365.173(2)(d), FLORIDA STATUTES**

The Honorable Board of County Commissioners
and Constitutional Officers
Liberty County, Florida

We have examined the Liberty County, Florida’s (the “County”) compliance with the requirements of Section 365.172(10), and Section 365.173(2)(d), Florida Statutes, as of for the year ended September 30, 2019, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the County’s compliance with those requirements. Our responsibility is to express an opinion on County’s compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants, and, accordingly, included examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the County’s compliance with specific requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the County and its management, and the Board of Commissioners of Liberty County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Moran & Smith LLP

Moran & Smith LLP
June 30, 2020
Quincy, Florida

**INDEPENDENT AUDITOR’S, 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**

The Honorable Board of County Commissioners
and Constitutional Officers
Liberty County, Florida

We have audited, 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for Liberty County, Florida, (the “County”) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 30, 2020.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over financial reporting.

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 significant deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, there can be no assurance that all material weaknesses or significant deficiencies have been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITOR'S, 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
(Concluded)**

Compliance and Other Matters

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

We also noted certain additional matters that we have reported to management of the County in a separate management letter dated June 30, 2020.

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 Governmental Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moran & Smith LLP

Moran & Smith LLP
June 30, 2020
Quincy, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
LIBERTY COUNTY, FLORIDA**

PART I- SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report expresses unqualified opinions on the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Liberty County, Florida, as of and for the year ended September 30, 2018.
2. There were no instances of material weakness(es) or significant deficiency(ies) identified during the audit of the financial statements reported in the report on internal control over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. There were no instances of noncompliance identified during the audit of the financial statements as reported in 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*.
4. The audit disclosed no significant deficiencies relating to the audit of the major federal award programs and major state financial assistance projects reported in the Independent Auditors' Report on Compliance for Each Major Federal Award and State Financial Assistance project on that are required to be reported in the schedule of findings and questioned costs.
5. The "Independent Auditors' Report on Compliance for Each Major Federal Award Program and State Financial Assistance Projects and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, for Liberty County, Florida, expresses an unmodified opinion.
6. The audit disclosed no findings required to be reported in accordance with the Uniform Guidance or Chapter 10.550, *Rules of the Auditor General* relative to the major federal awards programs or state financial assistance projects for Liberty County, Florida.
7. The programs/projects tested as major federal award programs and major state financial assistance programs/projects included the following:

U.S Department of Housing and Urban Development	
Community Development Block Grants (CDBG)	14.228
U.S. Department of Interior	
Federal Payment in Lieu of Taxes (Secure Rural Schools)	15.226
Florida Department of Transportation	
County Incentive Grant	55.008
Small County Outreach Program (SCOP)	55.009
Small County Road Assistance Program	55.016

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS FOR THE
YEAR ENDED SEPTEMBER 30, 2019
LIBERTY COUNTY, FLORIDA**

PART I - SUMMARY OF AUDITORS' RESULTS *(concluded)*

8. The threshold for distinguishing Type A and Type B programs/projects was \$750,000 for major federal award programs and \$750,000 for major state financial assistance projects.
9. Liberty County, Florida, did not qualify as a low-risk auditee.

PART II - FINDINGS - FINANCIAL STATEMENT FINDINGS

There were no findings relative to the Financial Statements.

PART III - FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS

There were no findings relative to the federal programs.

PART IV - FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

There were no findings relative to the major state projects.

PART V – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS RELATIVE TO FINANCIAL ASSISTANCE

There were no prior audit findings.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Board of County Commissioners
and Constitutional Officers
Liberty County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Liberty County, Florida, (the "County") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 30, 2020.

Auditor's Responsibility

We conducted our audit 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Florida Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Awards Program and State Assistance Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Florida Auditor General*. Disclosures in those reports and schedules, if any, which are dated June 30, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)l., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority of the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This was disclosed in the footnotes. There were no component units related to the County.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER
(Concluded)

Financial Condition

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts and grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of This Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Moran & Smith LLP

Moran & Smith LLP
June 30, 2020
Quincy, Florida