Liberty County, Georgia



Comprehensive Annual Financial Report
For the Year Ended June 30, 2012

Prepared by:

Kim McGlothlin
Finance Director

LIBERTY COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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INTRODUCTORY SECTION

BOARD OF COMMISSIONERS
LIBERTY COUNTY

JOHN D. McIVER
CHAIRMAN
MARION STEVENS, SR.
DISTRICT 1
DONALD L. LOVETTE
DISTRICT 2
CONNIE THRIFT
DISTRICT 3

P.O. BOX 829
HINESVILLE, GEORGIA 31310
(912) 876-2164 / FAX (912) 369-0204
www.libertycountyga.com

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

March 20, 2013

The Honorable John D. McIver, Chairman
Members of the Liberty County Board of Commissioners
And the Citizens of Liberty County, Georgia

The comprehensive annual financial report of Liberty County, Georgia for the year ended June 30, 2012, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that Liberty County issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins, LLC, have issued an unqualified ("clean") opinion on Liberty County's financial statements for the year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

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

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

Liberty County operates under the commission-administrator form of government. Policy-making and legislative authority are vested in the governing commission, which consists of a seven-member board of commissioners. The commission is elected on a partisan basis. Commissioners are elected to four-year staggered terms. The Chairman is elected at large and the remaining six commissioners are elected from within their respective districts. The governing commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the government's administrator, the county clerk, and the government's attorney. The County administrator is responsible for carrying out the policies and ordinances of the governing commission, for overseeing the day-to-day operations of the government, and for appointing the heads of the government's departments.

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

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

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

Local Economy

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

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

The County was successful in implementation the new county-wide 600 MHz digital radio system to improve emergency communications. The County, through partnership with SEGARN, the City of Hinesville, and Coastal EMC, was able to buy all necessary equipment to insure uninterrupted service for emergency personnel countywide. Funds for this project were derived from grant funds from the State of Georgia and local SPLOST dollars.

The County, through partnership with the State of Georgia and Bank of America, was successful in bringing a new Family and Children service center to the area. The State's agency, DHS, assumed occupancy of the new 30,000 SF facility. The project involved a land contribution by the County, financing by the bank, and a guaranteed rental stream for 20 years by the State. At the end of this period of time the land and building will revert back to the County.

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

The County continued disbursement of SPLOST funds for various capital improvement projects in the areas of recreation, roads and building improvements. The County fully completed its 92,000 square foot, state of the art, justice center which opened in March 2011. Work was completed on new tennis courts at James Brown Recreation. The County moved toward letting construction bids for improvements at the east end community complex which is expected to be under construction in late 2012. The County began work on renovations to the current courthouse, and renovations to the county annex facility. It is expected that these renovations will achieve a substantial savings in energy operations over current systems in place.

Long-term Financial Planning

The County will continue to work toward planning of expansion and improvements at Midcoast Regional Airport at Wright Army Airfield. These improvements will provide for the complete renovation and resurfacing of an existing 5000 foot runway at the facility and possible expansion of another runway to 6500 feet in length. This expansion will allow for better accommodation of civilian and military traffic at the facility.

The County will finalize plans and accept bids to begin construction of the rural water system and will obtain a loan from the United States Department of Agriculture to fund the project. The County will also contract with a system manager during this period. This $6,000,000 system is expected to go on line in mid 2014.

The County will continue work toward implementation of the County-wide Fire Plan. This plan involves the eventual engagement of full-time personnel and facilities necessary to insure proper response by qualified persons for fire and emergency incidents. The County constructed its first fire station pursuant to the plan and will work with other cities to bring more stations on-line.

The County will continue enhancement of capital facilities through the use of SPLOST funds. It is anticipated that construction will begin on the East End Community Complex, a center providing services to coastal residents including a small library facility, recreation opportunities, pool, community meeting space, and other governmental amenities. The County will complete renovations of the historic courthouse, and annex facility, contract for architectural services related to the new Hinesville branch library, and examine sites to house the new animal control compound.

Relevant Financial Policies

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

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

Major Initiatives

The County will continue to look at infrastructure and operational upgrades in order to keep pace with the expected growth to the region. One of these initiatives includes the implementation of a master fire plan for the County. This plan, completed in early 2008, outlines fire protection needs for the entire County through 2018 and includes a move to manned departments in order to help reduce ISO rates to homeowners and enhance emergency services. Funding is expected to be achieved by the use of SPLOST funds for capital needs and a combination of fees and insurance tax proceeds to sustain daily operational requirements. The County will also diligently pursue the completion of the county-wide rural water system. The system, as mentioned before, will provide safe drinking water and enhanced fire protection to approximately 374 persons. The County will continue to look for opportunities to expand and fund its rural road program including a proposed new Hinesville By-pass project. Finally, and has been previously mentioned, the County is expected to began construction of various capital projects as approved by voters under the Special Purpose Local Option Sales Tax Program. These include a wide array of items involving new construction and renovations/expansion of existing structures.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2008. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that the County's current CAFR continues to meet the certificate of achievement program requirements and will submit the CAFR to the GFOA to determine its eligibility.

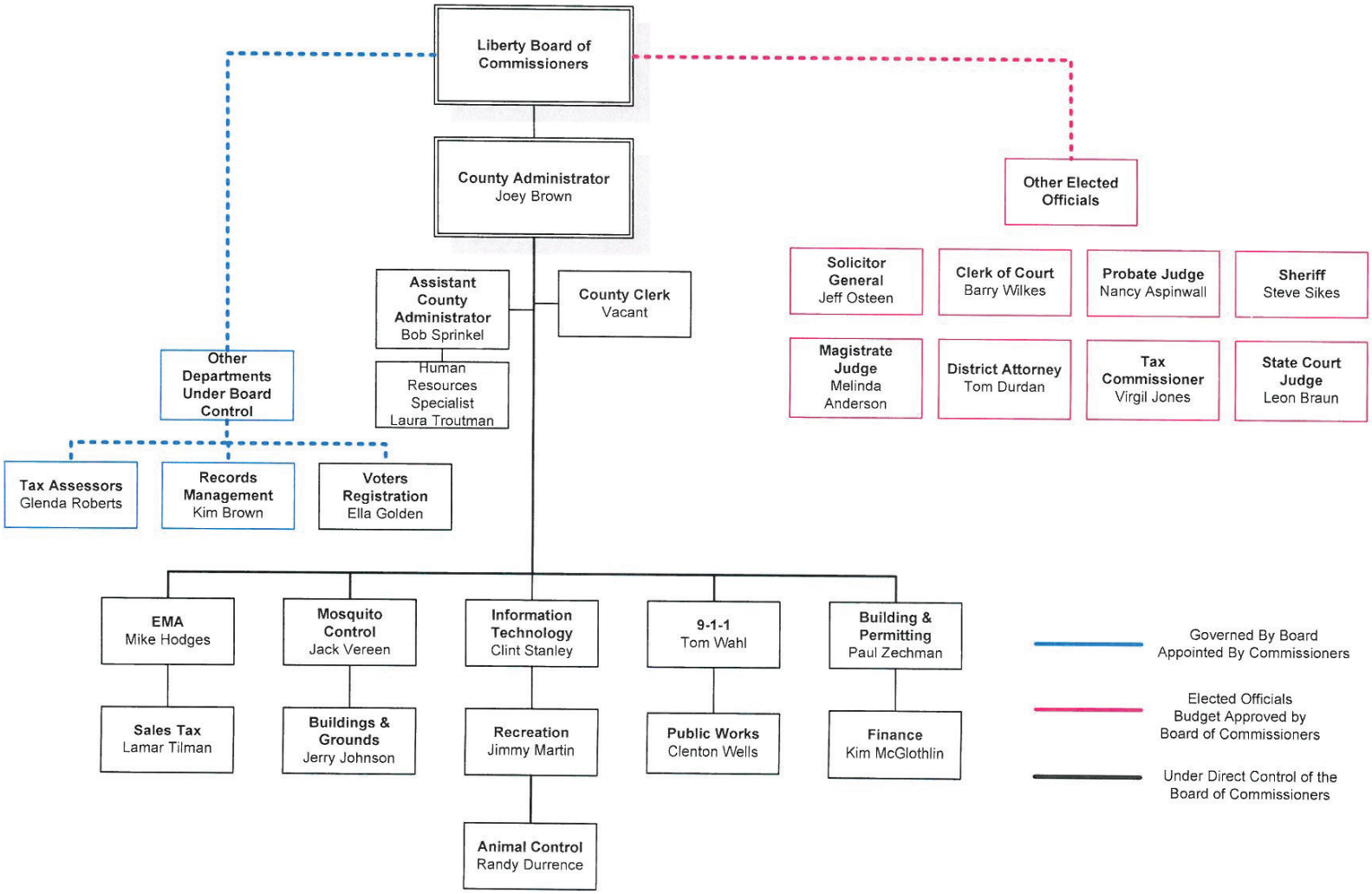
I would like to extend my gratitude to the entire staff of the finance and administration department. Their commitment and dedication made the preparation of this report possible. I would also like to express my appreciation to our elected officials and department members who assisted with and contributed to the preparation of this report.

I also wish to acknowledge the Chairman and the Board of Commissioners for their guidance and support in planning and conducting the financial affairs of Liberty County in a responsible and progressive manner.

Respectfully submitted,



Joseph W. Brown
County Administrator



Liberty County Organizational Chart

As of June 30, 2012

LIBERTY COUNTY, GEORGIA

PRINCIPAL OFFICIALS
JUNE 30, 2012

ELECTED OFFICIALS
John D. McIver
Chairman

Marion Stevens, Sr.
District 1

Donald L Lovette
District 2

Connie Thrift
District 3

Pat Bowen
District 4

Gary Gilliard
District 5

Eddie J. Walden
District 6

OFFICIALS
Joseph W. Brown
County Administrator

Robert W. Sprinkel
Assistant County Administrator

Kim McGlothlin
Chief Financial Officer

FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Liberty County, Georgia** as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Liberty County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the component unit financial statements of the Liberty County Health Department or the Liberty County Regional Medical Center, which represent 100% of the assets and 100% of the revenues of the County's component units for the year ended June 30, 2012. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for these component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Liberty County Regional Medical Center were audited in accordance with auditing standards generally accepted in the United States of America but were not audited in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Liberty County, Georgia as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2013, on our consideration of Liberty County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in accessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 3 through 14) and the Required Supplementary Information on page 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with accounting principles 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 the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Liberty County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of Liberty County, Georgia. The schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121 and are also not a required part of the basic 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 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Liberty County, Georgia's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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.

Mauldin & Jenkins, LLC

Macon, Georgia
March 20, 2013

Introduction

As management of Liberty County, Georgia, we offer readers of the County's financial statements this narrative overview and analysis detailing the financial activities of Liberty County for the fiscal year ended June 30, 2012. This discussion is intended to help provide a comprehensive understanding of the financial performance and condition of Liberty County taken as a whole, and should be considered in conjunction with the basic financial statements, notes to the financial statements, and the letter of transmittal presented in Liberty County's Comprehensive Annual Financial Report (CAFR). Liberty County has prepared its annual report in compliance with the financial reporting model set forth by the Governmental Accounting Standards Board, GASB 34. This reporting model is a combination of both Government-Wide Financial Statements and Fund Financial Statements. As such, our CAFR's basic financial statements contain three components:

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

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

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2012 are as follows:

Government-Wide Financial Statements

- Liberty County's government wide assets exceed its liabilities by $114,463,609 (net assets). Of this amount, $7,303,654 (unrestricted net assets) or 6.4% may be used to settle the County's ongoing obligations.
- The County's total net assets increased slightly from $112,521,951 in 2011 to $114,463,609 in 2012, for a total increase of $1,941,658 or 1.7%.
- County revenues for fiscal year 2012 totaled $44,984,141. Of this amount, $17,446,186, or 38.8%, resulted from program revenues, with the balance of $27,537,955, or 61.2%, resulting from general revenues.
- County expenses for 2012 totaled $43,042,483, an increase of $1,270,137 or 3.0%, compared to prior year's expenses of $41,772,346. Total expenses are a combination of governmental programs costing $40,415,594 or 93.9%, and business-type activities totaling $2,626,889 or 6.1%.

Governmental Funds Financial Statements

- Total assets of $42,625,543 in the County's governmental funds exceed total liabilities by $35,509,044 (fund balance). Of this amount, $12,029,318 or 33.9% is unassigned and available to settle the County's current obligations within the governmental funds.
- The County's total governmental fund balance decreased by $4,022,861 or 10.2%, decreasing from $39,531,905 in 2011 to $35,509,044 by the end of fiscal year 2012. The most significant decrease in fund balance occurred within "Other Governmental Funds," which include both special revenue funds and capital project funds. These funds, reported on pages 61-68, collectively declined a total of $5,179,767, or 67.0% from 2011 to 2012. Of this decrease, $4,344,608 is attributable specifically to the special revenue fund, Liberty County Projects Corporation (page 67). This is the result of the County utilizing funds to construct a building that houses the Department of Family and Children Services. This project was completed in May 2012. Adding to the overall decline in governmental fund balance, Sales Tax V experienced a decrease by $505,538 or 4.5%, and Sales Tax IV reported a decrease of $1,648,820 or 23.7%. These balances continue to decline as funds are utilized for capital projects within the County. Finally, helping offset these decreasing balances, the General Fund actually reported an increase in fund balance of $3,311,264 or 24.2% from 2011 to 2012. The majority of this increase can be attributed to a one-time cash disbursement in the amount of $3,687,182 by the Office of Economic Adjustment. This payment was granted to the County due to the preparations and expenditures made in anticipation of the 5th Brigade.
- The County's governmental fund balance is allocated among the following items: $4,358,825 (12.2%) Non-spendable; $18,454,081 (52.0%) Restricted; $17,969 (0.1%) Committed; $648,851 (1.8%) Assigned; and $12,029,318 (33.9%) Unassigned.
- General Fund revenues totaling $27,700,980 achieved 96.5% of budgeted revenues of $28,721,172 creating a shortfall of $1,020,192 or 3.6%.
- Liberty County's General Fund operated at 95.1% of the budgeted $22,853,407 expenditures, and thereby achieved a savings of $1,121,399.

Overview of the Financial Statements

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

Reporting on the County as a Whole

The government-wide financial statements, including a Statement of Net Assets and a Statement of Activities (beginning on page 15), helps readers identify whether or not the County, taken as a whole, is in better condition as a result of the events that have taken place over the past year. These statements capture *all* assets and liabilities using the *full accrual* basis of accounting. This method of accounting resembles that used by most private-sector companies by recording all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting on the County's Most Significant Funds

The fund financial statements (beginning on page 17) provide a more detailed look at the County's most significant funds. While certain funds are required by state law, others are established by the Board of Commissioners to help control budgets and financing for specific purposes. The County maintains three categories of funds: governmental, proprietary, and fiduciary.

- *Governmental Funds* – Funds representing the more traditional governmental services; general government, judiciary, public safety, public works, health and welfare, culture and recreation, economic development, and interest on long-term debt. These funds use a method of accounting called the *modified accrual* approach, by which financial assets are reported based on their ability to be readily converted into cash. Governmental funds provide a short-term view of the County's general government operations and help determine the amount of financial resources that are available in the near future to fund ongoing County programs. On page 17 you will find reconciliation between the "Governmental Fund Balances" and "Net Assets of Governmental Activities." Page 19 provides reconciliation between the "Statement of Revenues, Expenditures, and Changes in Fund Balances" and the "Statement of Activities." Both of these reconciliations identify the differences between Governmental Funds and Government-Wide Activities.
- *Proprietary Funds* – These funds operate much like private sector business by charging user fees for services rendered. Proprietary funds use the same method of accounting as used in the Statement of Net Assets and the Statement of Activities; the *full accrual* method of accounting. This method of accounting recognizes transactions when they occur, regardless of the timing of related cash flows. However, greater detail is provided for these funds as reported in the fund financial statements. The three proprietary funds reported by Liberty County are the Solid Waste Fund, Water System Fund, and the Revolving Loan Fund.
- *Fiduciary Funds* – These funds are established to report on assets being held by the County for the benefit of parties outside the government. Although these funds are presented in the fund financial statements, they do not appear in the government-wide statements because the resources of these funds are not available to support the programs of Liberty County local government. There are two fiduciary funds being reported: Agency Funds and the Employee Retirement Fund. Fiduciary funds are reported using the *full accrual* method of accounting.

Liberty County, Government-Wide

Table 1 presents a financial position of $114.4 million in total net assets. This represents a slight increase from 2011. As illustrated, the County total assets had a slight decrease to $154.8 million, while total liabilities decreased by $1.9 million, or 4.5%.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current & Other Assets	$ 39.7	$ 46.6	$ (3.2)	$ (3.5)	$ 36.5	$ 43.1
Capital Assets	116.6	110.2	1.7	1.6	118.3	111.8
Total Assets	156.3	156.8	(1.5)	(1.9)	154.8	154.9
Long-Term Debt	30.7	31.9	1.2	1.3	31.9	33.2
Other Liabilities	8.2	9.0	0.3	0.1	8.5	9.1
Total Liabilities	38.9	40.9	1.5	1.4	40.4	42.3
Net Assets:						
Invested In Capital, net of debt	87.1	84.2	1.6	1.5	88.7	85.7
Restricted	18.4	25.7	-	-	18.4	25.7
Unrestricted	11.9	5.9	(4.6)	(4.8)	7.3	1.1
Total Net Assets	$ 117.4	$ 115.8	$ (3.0)	$ (3.3)	$ 114.4	$ 112.5

The growth for fiscal year 2012 is concentrated within the governmental activities, reporting $117.4 million in total net assets, an increase of $1.6 million, or 1.4%, from 2011 to 2012. Business-type activities added to the increase by reducing their net asset deficit of $3.3 in 2011 to a deficit of $3.0 in 2012.

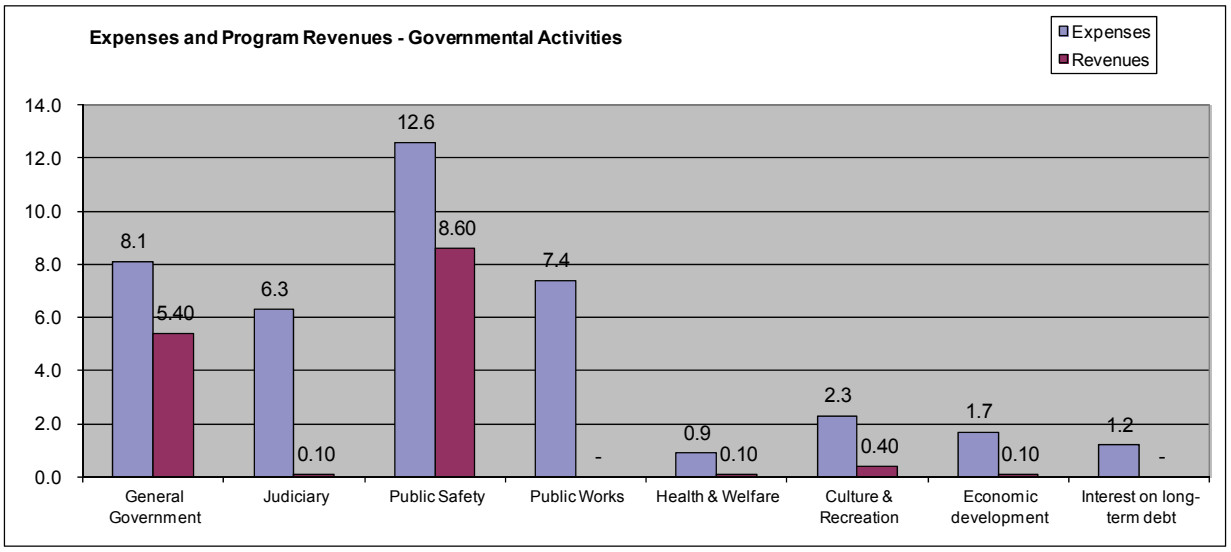
The County's debt ratio to total assets for governmental activities is approximately 18.9%. Finally, of the total net assets reported for governmental activities, $11.9 million or approximately 10.0% may be used to settle ongoing government program obligations.

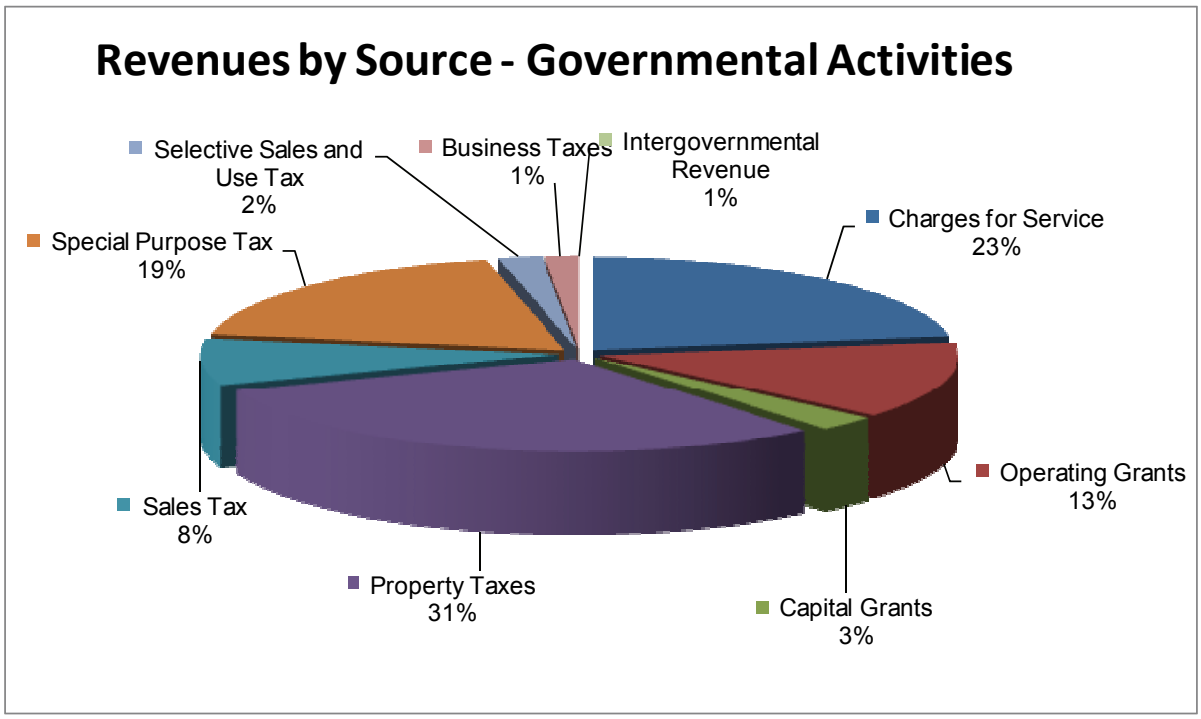
The deficit of $3.0 million reported in the business-type activities is the result of several historical years' worth of recurring losses in the Solid Waste Fund. However, these losses have been offset over the past eight years through the implementation of a solid waste assessment. Although this solid waste assessment has enabled the Solid Waste Fund to report a modest increase in operating income over the past eight years, it will be several years before that fund will be able to report a normal net asset balance. The annual assessment established eight years ago, combined with annual revisions of commercial rates of selected service contracts has been the plan in motion to help financially revamp the Solid Waste Enterprise Fund operations.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues:						
Charges for Services	$ 7.3	$ 7.2	$ 2.9	$ 2.8	$ 10.2	$ 10.0
Operating Grants	6.1	3.4	-	-	6.1	3.4
Capital Grants	1.2	2.1	-	-	1.2	2.1
General Revenues:						
Property Taxes	13.8	13.9	-	-	13.8	13.9
Sales Tax	3.7	3.3	-	-	3.7	3.3
Special Purpose Tax	8.4	8.4	-	-	8.4	8.4
Selective Sales and Use Tax	0.9	1.1	-	-	0.9	1.1
Business Taxes	0.7	0.7	-	-	0.7	0.7
Intergovernmental Revenue	-	-	-	-	-	-
Unrestricted Investment Earnings	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	$ 42.1	$ 40.1	$ 2.9	$ 2.8	$ 45.0	$ 42.9
Program Expenses:						
General Government	$ 8.1	$ 8.9	$ -	$ -	$ 8.1	$ 8.9
Judiciary	6.3	6.0	-	-	6.3	6.0
Public Safety	12.6	12.9	-	-	12.6	12.9
Public Works	7.4	4.3	-	-	7.4	4.3
Health & Welfare	0.9	1.3	-	-	0.9	1.3
Culture & Recreation	2.3	2.2	-	-	2.3	2.2
Economic development	1.7	2.4	-	-	1.7	2.4
Interest on Long Term Debt	1.2	1.2	-	-	1.2	1.2
Solid Waste	-	-	2.6	2.5	2.6	2.5
Water System	-	-	-	-	-	-
Revolving Loan	-	-	-	-	-	-
Total Expenses	$ 40.5	$ 39.2	$ 2.6	$ 2.5	$ 43.1	$ 41.7
Increase Before Transfers	$ 1.6	$ 0.9	$ 0.3	$ 0.3	$ 1.9	$ 1.2
Transfers	-	-	-	-	-	-
Increase in Net Assets	1.6	0.9	0.3	0.3	1.9	1.2
Net Assets Beginning	115.8	114.9	(3.3)	(3.6)	112.5	111.3
Net Assets Ending	$ 117.4	$ 115.8	$ (3.0)	$ (3.3)	$ 114.4	$ 112.5

Revenues for governmental activities exceeded expenses by $1.6 million. As illustrated by Table 2, the major revenues supporting governmental activities are property taxes at $13.8 million or 32.8%, special purpose tax at $8.4 million or 20.0%, charges for services at $7.3 million or 17.3%, operating grants at $6.1 million or 14.5%, and sales tax at $3.7 million or 8.8%.





The major expenses related to governmental activities are public safety at $12.6 million or 31.1%, general government at $8.1 million or 20.0%, public works at $7.4 million or 18.3%, and judiciary at $6.3 million or 15.6%. Public Safety continues to be the largest governmental expense in fiscal year 2012. Expenses related to jail staffing and inmate care, combined with rising fuel cost and a growing force of road deputies continue to increase the budget for public safety.

Revenues in business type activities came in at $2.9 million, an increase of $0.1 million from 2011 to 2012. In the Solid Waste fund, charges for services increased from $2.8 million in 2011 to $2.9 million in 2012, or 3.6%. This small increase is attributable to the County's effort to collect solid waste assessments on properties identified with a dwelling located on them.

Governmental Activities

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

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

	Total Expenses of Services		Net Expense (Revenue) of Services	
	2012	2011	2012	2011
General Government	$ 8.1	$ 8.9	$ 2.7	$ 7.0
Judiciary	6.3	6.0	6.2	5.8
Public Safety	12.6	12.9	4.0	3.6
Public Works	7.4	4.3	7.4	4.1
Health & Welfare	0.9	1.3	0.8	0.8
Culture & Recreation	2.3	2.2	1.9	1.8
Economic development	1.7	2.4	1.6	2.3
Interest on Long-Term Debt	1.2	1.2	1.2	1.2
Totals	$ 40.5	$ 39.2	$ 25.8	$ 26.6

As illustrated by Table 3, governmental functions fell $25.8 million short of sustaining operations through revenues directly attributable to those programs. As a result, citizens support these programs through payment of property taxes, sales taxes, and other taxes.

- Table 3 illustrates total expenses increased by $1.3 million, or 3.3%, while net expenses decreased by $0.8 million, or 3.0%.
- The most significant decrease in total expenses is attributable to General Government, decreasing from $8.9 million in 2011 to $8.1 million in 2012, or 9.9%. Additionally, the net expenses for General Government decreased from $7.0 in 2011 to $2.7 in 2012, for a total net decrease of $4.3 million or 61.4%.

- Another area of decrease in total expenses is reported in Economic Development. This function reported a total decrease in expenses of $0.7 million, or 29.2%, dropping from $2.4 million in 2011 to $1.7 million in 2012. Consequently, the net expenses for this function also decreased, by $0.7 million, or 30.4%, dropping from $2.3 million in 2011 to $1.6 million in 2012.
- A final decrease illustrated by table 3 is the function of Health & Welfare. Total expenses in this area reported a decrease of $0.4 million, or 30.8%, dropping from $1.3 million in 2011 to $0.9 million in 2012. However, net expenses for this function remained constant at $0.8 million for both 2011 and 2012.
- The most significant increase in total expenses, $3.1 million or 72.1%, occurred in Public Works. This function jumped from $4.3 million in 2011 to $7.4 million in 2012. Consequently, the largest increase in net expense, $3.3 million or 80.5%, is also reported in Public Works. Net expense in this function grew from $4.1 million in 2011 to $7.4 million in 2012. The majority of this increase is related to expansion of the City's public works facility through SPLOST, and the completion of several road paving projects throughout the County.
- Public Safety experienced a decrease of $0.3 million, or 2.3%, in total expenses. Total expenses for this function dropped from $12.9 million in 2011 to $12.6 million in 2012. However, the net expense for Public Safety increased by $0.4 million or 11.1%, increasing from $3.6 million in 2011 to $4.0 million in 2012.
- Liberty County's Judiciary function increased by $0.3 million, or 5.0%, growing from $6.0 million in 2011 to $6.3 million in 2012. Additionally, the net expense for this function increased by $0.4 million, or 6.9%, growing from $5.8 million in 2011 to $6.2 million in 2012.
- Culture & Recreation experienced a slight increase in both total and net expense. Total expense for the function increase by $0.1 million, or 4.6%, growing from $2.2 million in 2011 to $2.3 million in 2012. Net expense in this function followed suit by increasing from $1.8 million in 2011 to $1.9 million in 2012. This is an increase of $0.1 million, or 5.6 % respectively.
- Both total expense and net expense for Interest on Long-Term Debt remained constant at $1.2 million from 2011 to 2012.

Business-Type Activities

Fiscal year 2012 marks the eighth consecutive year that the Solid Waste Fund has reported a net income. Coming in at $156,572, this year's net income continues to support the application of the solid waste assessment fee that was implemented eight years ago. The user charge continues to be the most appropriate method for the County to provide solid waste services to the citizens, while maintaining an efficient economic model that balances both private and commercial business. Solid Waste net income is down slightly from 2011 by $123,064, or 44.0%, dropping from $279,636 in 2011 to $156,572 in 2012. Much of this decrease is due to the overall economic drop in the community specifically related to the housing foreclosures. The County is optimistic for the continued turnaround of the carrying deficit in the Solid Waste Fund and continues to monitor both residential and commercial services in order to provide the most cost efficient operation. It has been the intention of the Board over the past several years to allow the Solid Waste operations to run as a true enterprise fund without supplementing revenues with any type of operational transfer. The Board is committed to continue to look for ways to help the Solid Waste Fund become self sustaining and repay the $3.97 million it currently owes the General Fund.

The County established a Water System Fund this year in anticipation of a new water system that will break ground in FY 2013. This project will be accomplished through a combination of USDA loans and grants totaling $4.2 million, SPLOST funding of $0.25 million, and a CDBG grant totaling $0.5 million. The County has contributed engineering costs thus far to the project, and has started collecting deposits for citizens to take advantage of hooking up to the system through the assistance of a $500,000 CDBG grant.

The deficit in total net assets for Liberty County's business-type activities decreased slightly from $3.3 million in 2011 to $3.0 million in 2012 for a total decrease of $0.3 million, or 9.1%. This was primarily the result of continuing successful operations within the Solid Waste Fund.

The County's Major Governmental Funds

At the end of fiscal year 2012, Liberty County's governmental funds have a combined fund balance of $35,509,044. This balance decreased $4,022,861, or 10.2%, from fiscal year 2011. The governmental funds consist of three major funds and collectively twenty non-major funds, as noted on page 17 of the financial statements. The County's General Fund increased from $13,684,638 in 2011 to $16,995,902 in 2012, a total of $3,311,264, or 24.2%. This increase is due primarily to a one-time cash disbursement of $3,687,182 granted by the Office of Economic Adjustment. This payment was issued due to the preparations made by the County in anticipation of the 5th Brigade. The other two major funds noted, Sales Tax V and Sales Tax IV both reported a decrease in fund balance. This is due to significant capital projects that continue to be achieved within those funds. Sales Tax V, the current sales tax program approved by voters in November 2008, began collections in April 2009. Fund balance in this fund dropped from $11,164,923 in 2011 to $10,659,385 in 2012, for a total decrease of $505,538 or 4.5%. This decrease is due to continuing expenditures made to capital projects on the SPLOST referendum. Fund balance within Sales Tax IV dropped from $6,948,150 in 2011 to $5,299,330 for a total decrease of $1,648,820 or 23.7%. Fund balance in Sales Tax IV will continue to be depleted as this fund no longer collects revenue, and the County continues to move forward with more capital projects that were approved on the referendum.

Other Non-major governmental funds collectively reported a $5,179,767, or 67.0%, decrease in fund balance dropping from $7,734,194 in 2011 to $2,554,427 in 2012. This decrease is a combination of increases and decreases within the twenty non-major funds. Most significantly contributing to this drop in overall fund balance is the Liberty County Projects Corporation Fund, which was created for the construction of a new Department of Family and Children Services Facility. Fund balance dropped from $4,313,191 in 2011 to a deficit of $31,417 in 2012 with the depletion of funds used to complete the construction of the facility in May 2012. Adding to the overall decline in fund balance, thirteen of the funds within the non-major fund group had a decrease, five funds reported an increase in fund balance, and two funds remained constant from 2011 to 2012 (Child Support and Hotel / Motel).

The following funds reported increases in fund balance for 2012: Records Service Center fund reduced their prior deficit of $2,331 to a deficit of $574 for total increase of $1,757 or 75.4%, DARE fund increased $5,793 or 69.2%, Jail fund increased $2,034 or 1.9%, Wright Army Airfield fund reduced their deficit position of $262,883 to a deficit position of $262,550 for a total increase of $333 or 0.01%, and finally, the deficit position of $18,359 in the Water Project fund was eliminated, and a positive position of $401 is reported for a total increase of $18,760 or 102.2%. Details of these fund balances are reported on pages 65-68.

The following funds reported a decrease in fund balance for 2012: E911 fund decreased $2 or less than .01%, Victim Witness fund decreased $14,566 or 2.4%, Juvenile Services fund decreased $2,768 or 27.2%, Multiple Grant fund reported a deficit position by dropping $210,442 or 153.6%, Recreation fund added to their existing deficit by $9,146 or 4.0%, Law Library fund decreased by $629 or 0.1%, Technology fund decreased by $1,167 or 6.1%, Confiscated Assets decreased $66,327 or 72.8%, Jail Commissary decreased by $15,296 or 7.8%, Liberty County Projects Corporation depleted their fund balance to a deficit by dropping $4,344,608 or 101.0%, Capital Projects fund decreased by $32,183 or 6.4%, Sales Tax II decreased $22,233 or 5.6%, finally, Sales Tax III decreased $488,676 or 40.7%.

Liberty County's total governmental fund balance of $35,509,044 is divided among various components: non-spendable, restricted, committed, assigned, and unassigned. Of total fund balance, 52.0% or $18,454,081 of this fund balance is classified as restricted (combining special revenue and capital project funds). The remaining balance of $17,054,963 is reported as follows: General Fund non-spendable is $4,358,825 or 12.2%, and General Fund unassigned is $2,637,077 or 35.6% but is offset by a deficit of $607,759, or 1.7% unassigned within Special Revenue and Capital funds. Special Revenue committed and/or assigned totals $199,002 or 0.6%. Finally, Capital Project assigned is $467,818 or 1.3%. Most importantly, however, is that Liberty County has a healthy unassigned fund balance of $12,029,318, or 33.9%, available to meet current ongoing obligations within the governmental funds.

Revenues for the General Fund totaled $27,700,980 or approximately 65.4% of total governmental revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance on page 18 of the Financial Statements. This is an increase of $3,044,231 or 12.4% from prior year. Of the General Fund revenue reported for 2012, the largest portion, $19,098,974 (69.0%), was collected through taxes. The second largest revenue source of revenue reported, $3,709,165 (13.4%), was captured in intergovernmental (grants). The third largest revenue source, $2,312,156 (8.4%) was collected through charges for services. Finally, the fourth largest revenue, $1,850,212 (6.7%), was reported in the area of fines and forfeitures. Total General Fund revenues exceeded expenditures by $5,968,972. However, a significant portion of this excess was consumed by operating transfers totaling $2,690,766. These transfers were made to the following funds: Recreation Fund received $1,139,718, Capital Projects fund received $1,000,000, E-911 fund received $420,523, Multiple Grant Fund received $67,798, Water Project fund received $39,727, and Wright Army Airfield received $23,000. These transfers out of the General Fund balance were offset slightly by the marginal sale of some retired capital assets in the amount of $33,058. Total expenditures for the General Fund were $21,732,008 (not including other financing sources & uses). Overall, General fund balance increased from prior year by $3,311,264 or 24.2%, increasing from $13,684,638 in 2011 to $16,995,902 in 2012.

General Fund Budgetary Highlights

Table 4 illustrates the results of the General Fund revenue budgetary highlights for 2012. During the planning sessions, management anticipated the return of troops sometime during the third and fourth quarter of the fiscal year. Many of those units experienced extended deployments.

Table 4. General Fund Revenue Budgetary Comparison (millions)

	2012 Budget	2012 Actual	Variance Positive (Negative)
Taxes	$ 20.4	$ 19.1	$ (1.3)
Licenses and Permits	0.1	0.1	-
Intergovernmental Revenues	3.7	3.7	-
Charges for Services	2.0	2.3	0.3
Fines and Forfeitures	1.9	1.9	-
Miscellaneous Revenue	0.6	0.6	-
Totals	$ 28.7	$ 27.7	$ (1.0)

Total revenues in the General Fund fell short of budget amounts by $1,020,192. The majority of this variance is attributable to a shortfall in taxes, more specifically in property taxes. Due to the economic environment and the extended deployment of troops during 2012, overall tax revenues were down. Helping to offset the shortfall in taxes, charges for services reported a positive variance of $304,924.

Table 5. General Fund Budgetary Expenditure Comparison (millions)

	2012 Budget	2012 Actual	Variance Positive (Negative)
General Government	$ 6.0	$ 5.6	$ 0.4
Judiciary	4.0	3.9	0.1
Public Safety	8.9	8.4	0.5
Public Works	1.8	1.8	-
Health & Welfare	0.6	0.6	-
Culture & Recreation	0.4	0.4	-
Economic development	0.9	0.8	0.1
Debt Service	0.3	0.3	-
Totals	$ 22.9	$ 21.8	$ 1.1

The following details the variances experienced during the year.

- Every department within the function of General Government, with the exception of legal services, was able to operate below their fiscal year appropriations and therefore generate a $424,555 savings. Much of this was attributable to the elimination of any non-mandated travel and training, and deferring hiring dates.
- The largest savings that occurred in the function of Public Safety was in the Jail division. Utilizing funds from the Jail Staffing & Construction, the jail was able to generate a positive variance of $343,435 for the year.
- Several departments within the Judiciary function of the County came in under budget, with the largest savings attributable to the Circuit Wide Public Defender Program in the amount of $65,639. Also contributing to the positive variance is Magistrate Court with a savings of $31,653 and District Attorney coming in under budget by $21,053. Three departments within the Judicial area actually reported budget overruns, with the two largest noted in the Clerk of Court at $53,415, and Juvenile Judge at $10,493.
- Finally, the function area of Economic Development reported a positive variance of $62,694. The bulk of this savings is attributable to reduced staffing in the planning commission.

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

Capital Asset and Debt Administration

At the end of fiscal year 2012, the County had invested $118,315,307 in a broad range of capital assets. These assets include land, buildings, machinery, and infrastructure (See Table 6 below).

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Land	$ 7.8	$ 7.8	$ 0.2	$ 0.2	$ 8.0	$ 8.0
Construction In Progress	6.9	25.8	0.2	-	7.1	25.8
Buildings	55.0	27.8	1.0	0.9	56.0	28.7
Machinery	4.2	4.6	0.3	0.5	4.5	5.1
Infrastructure	42.7	44.2	-	-	42.7	44.2
Totals	$ 116.6	$ 110.2	$ 1.7	$ 1.6	$ 118.3	$ 111.8

This year's most significant change occurred in the area of Buildings & Construction and Progress. Completion of work to various capital projects transferred approximately $24.3 million from construction in progress to buildings. This included completion of the County's new Justice Center.

Liberty County also continues to work on several dirt roads throughout the County to prepare those for paving. It should be noted that the majority of the capital assets in Liberty County have been obtained through the use of Special Purpose Local Option Sales Tax (SPLOST). Additional information on the County's capital assets can be found in Note 6 on pages 42 through 44.

At year end, the County had a total of $37,796,545 in long-term liabilities. This is up $409,645 or 1.1% from prior year. The increase is due to primarily to an increase in net pension obligation along with an increase obligation for post employment benefits. More information regarding the County's long-term liabilities can be found in Note 7, on pages 44 through 51.

Other Economic Factors

The Board of Commissioners must consider several factors when establishing the year's budget, millage rate, and various fees that are charged for program services. The Board of Commissioners is continually looking for alternative revenues sources that will alleviate the tax burden on the citizens of Liberty County. This is proven by the fact the Liberty County has reduced or held constant its millage rate eight consecutive years while continuing to monitor the need for increasing the budget. Fiscal year 2012 marked the sixth full year of a Liberty Consolidated Planning Commission. This is a joint planning board established to help all municipalities within the County. The Board is comprised of a cross section of governmental employees and business leaders in the community and represents the County at large by working closely with the Development Authority, the municipalities, and the County to help channel and plan for the increasing growth that continues to take place in Liberty County. This separate entity is funded by the partners based upon their pro rata share of population.

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

Contacting the County's Financial Management

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

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

LIBERTY COUNTY, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Liberty County Department of Public Health	Liberty County Regional Medical Center
ASSETS					
Cash and cash equivalents	$ 30,753,742	$ 213,973	$ 30,967,715	$ 694,545	$ 2,602,221
Investments	349,698	-	349,698	-	-
Taxes receivable	1,537,226	-	1,537,226	-	-
Accounts receivable, net of allowances	231,080	612,568	843,648	7,129	10,872,165
Due from other governments	2,069,584	-	2,069,584	52,551	-
Due from component units	158	-	158	-	-
Inventories	-	-	-	-	926,663
Prepaid expenses	142,629	-	142,629	-	-
Restricted assets, cash and cash equivalents	-	-	-	-	544,095
Deferred charges, unamortized balance	676,568	-	676,568	-	182,557
Internal balances	3,973,139	(3,973,139)	-	-	-
Other assets	-	-	-	-	387,910
Capital assets					
Nondepreciable	14,738,625	332,559	15,071,184	-	2,632,425
Depreciable, net of accumulated depreciation	101,889,535	1,354,588	103,244,123	13,589	10,443,810
Total assets	$ 156,361,984	$ (1,459,451)	$ 154,902,533	$ 767,814	$ 28,591,846
LIABILITIES					
Accounts payable	$ 1,416,445	$ 279,544	$ 1,695,989	$ 61,272	$ 2,343,791
Retainage payable	618,246	-	618,246	-	-
Accrued liabilities	206,489	5,125	211,614	-	3,164,196
Due to other governments	86,695	-	86,695	38,024	-
Due to primary government	-	-	-	158	-
Customer deposits payable	-	29,835	29,835	-	-
Other liabilities	5,887,828	-	5,887,828	-	-
Note payable due within one year	239,677	-	239,677	-	1,609,911
Note payable due in more than one year	247,404	-	247,404	-	2,795,052
Capital leases due within one year	137,598	11,226	148,824	-	374,001
Capital leases due in more than one year	207,720	63,127	270,847	-	475,954
Bonds payable due within one year	1,102,311	-	1,102,311	-	875,000
Bonds payable due in more than one year	27,600,370	-	27,600,370	-	14,427,857
Compensated absences due within one year	944,267	30,920	975,187	16,760	-
Compensated absences due in more than one year	236,067	7,730	243,797	67,042	-
Landfill postclosure care costs due within one year	-	72,020	72,020	-	-
Landfill postclosure care costs due in more than one year	-	1,008,280	1,008,280	-	-
Total liabilities	38,931,117	1,507,807	40,438,924	183,256	26,065,762
NET ASSETS					
Invested in capital assets, net of related debt	87,093,080	1,612,794	88,705,874	13,589	(5,769,865)
Restricted for:					
Judicial	278,729	-	278,729	-	-
Public safety	1,130,565	-	1,130,565	-	-
Capital outlay	17,044,787	-	17,044,787	-	-
Other purposes	-	-	-	403,987	1,264,929
Unrestricted	11,883,706	(4,580,052)	7,303,654	166,982	7,031,020
Total net assets (deficit)	$ 117,430,867	$ (2,967,258)	$ 114,463,609	$ 584,558	$ 2,526,084

The accompanying notes are an integral part of these financial statements.

LIBERTY COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total	Liberty County Department of Public Health	Liberty County Regional Medical Center
Primary government:									
Governmental activities:									
General government	$ 8,095,198	$ 1,745,743	$ 3,687,182	$ 1,498	$ (2,660,775)	$ -	$ (2,660,775)	$ -	$ -
Judicial	6,284,728	87,275	-	6,951	(6,190,502)	-	(6,190,502)	-	-
Public safety	12,558,519	5,102,762	2,317,951	1,138,773	(3,999,033)	-	(3,999,033)	-	-
Public works	7,439,770	-	-	57,351	(7,382,419)	-	(7,382,419)	-	-
Health and welfare	917,052	70,023	80,802	-	(766,227)	-	(766,227)	-	-
Culture and recreation	2,293,664	328,377	21,751	636	(1,942,900)	-	(1,942,900)	-	-
Economic development	1,653,443	-	-	-	(1,653,443)	-	(1,653,443)	-	-
Interest on long-term debt	1,173,220	-	-	-	(1,173,220)	-	(1,173,220)	-	-
Total governmental activities	40,415,594	7,334,180	6,107,686	1,205,209	(25,768,519)	-	(25,768,519)	-	-
Business-type activities:									
Solid Waste	2,626,844	2,774,589	7,646	-	-	155,391	155,391	-	-
Water System Fund	45	-	-	16,876	-	16,831	16,831	-	-
Revolving Loan	-	-	-	-	-	-	-	-	-
Total business-type activities	2,626,889	2,774,589	7,646	16,876	-	172,222	172,222	-	-
Total primary government	$ 43,042,483	$ 10,108,769	$ 6,115,332	$ 1,222,085	(25,768,519)	172,222	(25,596,297)	-	-
Component units:									
Liberty County Department of Public Health	$ 1,467,536	$ 603,743	$ 978,205	$ -	-	-	-	114,412	-
Liberty County Regional Medical Center	40,426,988	37,198,719	3,658,386	-	-	-	-	-	430,117
Total component units	$ 41,894,524	$ 37,802,462	$ 4,636,591	$ -	-	-	-	114,412	430,117
General revenues:									
Property taxes					13,802,287	-	13,802,287	-	-
Sales taxes					12,072,731	-	12,072,731	-	-
Insurance premium taxes					889,778	-	889,778	-	-
Alcoholic beverage taxes					128,561	-	128,561	-	-
Other taxes					577,305	-	577,305	-	-
Unrestricted investment earnings					34,099	136	34,235	-	3,500
Gain on sale of capital assets					33,058	-	33,058	-	-
Transfers					(163,048)	163,048	-	-	-
Total general revenues and transfers					27,374,771	163,184	27,537,955	-	3,500
Change in net assets					1,606,252	335,406	1,941,658	114,412	433,617
Net assets (deficit), beginning of year					115,824,615	(3,302,664)	112,521,951	470,146	2,092,467
Net assets (deficit), end of year					$ 117,430,867	$ (2,967,258)	$ 114,463,609	$ 584,558	$ 2,526,084

The accompanying notes are an integral part of these financial statements

LIBERTY COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General	Special Purpose Local Option Sales Tax V	Special Purpose Local Option Sales Tax IV	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 10,294,871	$ 11,947,464	$ 5,398,265	$ 3,113,142	$ 30,753,742
Investments	23,077	-	-	326,621	349,698
Taxes receivable	1,537,226	-	-	-	1,537,226
Accounts receivable	6,352	-	-	224,728	231,080
Due from other governments	480,723	855,563	-	733,298	2,069,584
Due from other funds	2,903,166	-	-	422,064	3,325,230
Due from component units	158	-	-	-	158
Prepaid expenditures	142,629	-	-	-	142,629
Advance to other funds	4,216,196	-	-	-	4,216,196
Total assets	$ 19,604,398	$ 12,803,027	$ 5,398,265	$ 4,819,853	$ 42,625,543
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 716,339	$ 286,909	$ 54,266	$ 358,931	$ 1,416,445
Retainage payable	-	618,246	-	-	618,246
Accrued liabilities	89,649	1,780	-	40,285	131,714
Deferred revenues	1,295,112	-	-	-	1,295,112
Due to other governments	86,695	-	-	-	86,695
Due to other funds	420,701	1,236,707	44,669	1,623,153	3,325,230
Advance from other funds	-	-	-	243,057	243,057
Total liabilities	2,608,496	2,143,642	98,935	2,265,426	7,116,499
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	142,629	-	-	-	142,629
Advances to other funds	4,216,196	-	-	-	4,216,196
Restricted for:					
Judicial	-	-	-	278,729	278,729
Public safety	-	-	-	1,130,565	1,130,565
Capital outlay	-	10,659,385	5,299,330	1,086,072	17,044,787
Committed to:					
Judicial	-	-	-	17,969	17,969
Assigned to:					
Public safety - jail	-	-	-	181,033	181,033
Capital outlay	-	-	-	467,818	467,818
Unassigned	12,637,077	-	-	(607,759)	12,029,318
Total fund balances	16,995,902	10,659,385	5,299,330	2,554,427	35,509,044
Total liabilities and fund balances	$ 19,604,398	$ 12,803,027	$ 5,398,265	$ 4,819,853	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	116,628,160
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,295,112
Net other post employment benefit obligation is not a financial liability in governmental fund activities and is therefore not reported in governmental funds.	(5,396,782)
Net pension liability is not a financial liability in governmental fund activities and is therefore not reported in governmental funds.	(491,046)
Certain long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.	(30,113,621)
Net assets of governmental activities	$ 117,430,867

The accompanying notes are an integral part of these financial statements.

LIBERTY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General	Special Purpose Local Option Sales Tax V	Special Purpose Local Option Sales Tax IV	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 14,021,822	$ -	$ -	$ -	$ 14,021,822
Sales taxes	3,483,152	8,589,579	-	-	12,072,731
Insurance premium taxes	889,778	-	-	-	889,778
Other taxes	704,222	-	-	1,644	705,866
Licenses and permits	120,297	-	-	-	120,297
Intergovernmental	3,709,165	1,122,859	6,486	2,422,371	7,260,881
Charges for services	2,312,156	-	-	1,935,932	4,248,088
Fines and forfeitures	1,850,212	-	-	457,580	2,307,792
Interest and penalties	23,671	12,106	6,421	13,664	55,862
Other revenues	586,505	-	-	93,249	679,754
Total revenues	27,700,980	9,724,544	12,907	4,924,440	42,362,871
Expenditures					
Current:					
General government	5,553,801	-	-	184,473	5,738,274
Judicial	3,865,709	-	-	2,368,772	6,234,481
Public safety	8,412,282	-	-	2,386,633	10,798,915
Public works	1,811,849	-	-	-	1,811,849
Health and welfare	571,488	-	-	4,434,382	5,005,870
Culture and recreation	350,498	-	-	1,498,992	1,849,490
Economic development	871,215	-	-	191,184	1,062,399
Intergovernmental payments	-	1,595,467	753,591	-	2,349,058
Capital outlay	-	6,646,923	892,564	1,636,282	9,175,769
Debt service					
Principal	263,252	975,457	15,572	35,293	1,289,574
Interest	31,914	1,012,235	-	58,962	1,103,111
Total expenditures	21,732,008	10,230,082	1,661,727	12,794,973	46,418,790
Excess (deficiency) of revenues over (under) expenditures	5,968,972	(505,538)	(1,648,820)	(7,870,533)	(4,055,919)
Other financing sources (uses):					
Proceeds from sale of assets	33,058	-	-	-	33,058
Transfers in	-	-	-	2,690,766	2,690,766
Transfers out	(2,690,766)	-	-	-	(2,690,766)
Total other financing sources (uses)	(2,657,708)	-	-	2,690,766	33,058
Net change in fund balances	3,311,264	(505,538)	(1,648,820)	(5,179,767)	(4,022,861)
Fund balance, beginning of year	13,684,638	11,164,923	6,948,150	7,734,194	39,531,905
Fund balance, end of year	$ 16,995,902	$ 10,659,385	$ 5,299,330	$ 2,554,427	$ 35,509,044

The accompanying notes are an integral part of these financial statements.

LIBERTY COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

Net change in fund balances - total governmental funds.	$	(4,022,861)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		6,580,367
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(154,548)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(219,535)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		1,216,682
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(1,793,853)
Change in net assets of governmental activities	$	1,606,252

The accompanying notes are an integral part of these financial statements.

LIBERTY COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 14,653,725	$ 14,826,505	$ 14,021,822	$ (804,683)
Sales taxes	3,700,000	3,700,000	3,483,152	(216,848)
Insurance premium taxes	1,170,000	1,170,000	889,778	(280,222)
Other taxes	700,000	700,000	704,222	4,222
Licenses and permits	111,000	111,000	120,297	9,297
Intergovernmental	21,000	3,708,182	3,709,165	983
Charges for services	2,012,232	2,007,232	2,312,156	304,924
Fines and forfeitures	1,916,400	1,916,400	1,850,212	(66,188)
Interest and penalties	5,000	5,000	23,671	18,671
Other revenues	576,853	576,853	586,505	9,652
Total revenues	24,866,210	28,721,172	27,700,980	(1,020,192)
Expenditures:				
Current:				
General government:				
Governing body	105,096	105,096	97,733	7,363
Commission chairman	30,285	30,285	24,096	6,189
County administrator	516,314	522,533	483,635	38,898
Elections	457,375	460,265	307,260	153,005
Financial administration	440,432	445,747	435,047	10,700
Contingency	81,830	-	-	-
Law	120,000	120,000	138,383	(18,383)
Data processing/MIS	464,506	468,182	465,212	2,970
Tax commissioner	754,517	761,983	720,574	41,409
Tax assessor	1,019,598	1,036,791	1,033,694	3,097
Board of equalization	15,030	15,030	12,680	2,350
Risk management	704,979	704,979	700,985	3,994
General government buildings and plant	1,193,066	1,201,690	1,031,190	170,500
Public information	11,800	11,800	9,383	2,417
General engineering	70,950	72,700	72,656	44
General administration fees	21,275	21,275	21,273	2
Total general government	6,007,053	5,978,356	5,553,801	424,555
Judicial:				
Judicial administration	155,000	155,000	148,529	6,471
Superior court	52,970	52,970	53,167	(197)
Clerk of superior court	1,104,512	1,113,506	1,166,921	(53,415)
District attorney	662,341	662,341	641,288	21,053
State court	143,458	153,235	151,560	1,675
State court judge	193,793	194,198	189,234	4,964
Magistrate court	404,487	406,365	374,712	31,653
Probate court	374,859	394,831	379,727	15,104
Juvenile court	64,422	64,422	74,915	(10,493)
Public defender	15,000	15,000	40	14,960
Circuit-wide public defender	751,255	751,255	685,616	65,639
Total judicial	3,922,097	3,963,123	3,865,709	97,414

(Continued)

LIBERTY COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures (Continued):				
Current (Continued):				
Public safety:				
Sheriff	$ 2,379,903	$ 2,473,908	$ 2,356,931	$ 116,977
Vice control	748,493	758,375	756,294	2,081
Jail operations	4,326,301	4,357,006	4,013,571	343,435
Traffic control	366,845	370,990	375,433	(4,443)
School resource officer	60,321	61,230	62,290	(1,060)
Fire	283,004	283,004	275,333	7,671
Emergency medical services	25,000	25,000	29,023	(4,023)
Coroner	58,575	63,575	62,515	1,060
Animal control	260,338	263,019	258,671	4,348
Emergency management agency	178,365	179,613	163,250	16,363
Flemington law enforcement	53,441	54,350	58,971	(4,621)
Total public safety	8,740,586	8,890,070	8,412,282	477,788
Public works:				
Roadways and walkways	1,267,672	1,268,781	1,239,694	29,087
Maintenance shop	576,400	576,400	572,155	4,245
Total public works	1,844,072	1,845,181	1,811,849	33,332
Health and welfare:				
Public health administration	289,437	289,437	289,437	-
Vital statistics	2,500	2,500	714	1,786
Mosquito control	234,851	236,081	211,272	24,809
Indigent medical care	4,000	4,000	1,400	2,600
Intergovernment welfare payments	19,475	19,475	21,098	(1,623)
Community services	8,125	8,125	4,369	3,756
Community service center	52,000	52,000	43,198	8,802
Total health and welfare	610,388	611,618	571,488	40,130
Recreation:				
Libraries	350,498	350,498	350,498	-
Total recreation	350,498	350,498	350,498	-
Economic development:				
Conservation administration	10,000	10,000	10,000	-
Agriculture resources	82,725	82,898	77,220	5,678
Planning and zoning	386,306	391,964	381,454	10,510
Intergovernmental programs/economic development	398,547	398,547	352,874	45,673
Senior Citizen/CGCAA/Chamber of Commerce	50,500	50,500	49,667	833
Total economic development	928,078	933,909	871,215	62,694

(Continued)

LIBERTY COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures (Continued):				
Debt service:				
Principal	$ 268,432	$ 251,822	$ 263,252	$ (11,430)
Interest	20,620	28,830	31,914	(3,084)
Total debt service	289,052	280,652	295,166	(14,514)
Total expenditures	22,691,824	22,853,407	21,732,008	1,121,399
Excess of revenues over expenditures	2,174,386	5,867,765	5,968,972	101,207
Other financing sources (uses):				
Proceeds from the sale of assets	8,000	8,000	33,058	25,058
Transfers out	(2,182,386)	(5,875,765)	(2,690,766)	3,184,999
Total other financing sources (uses)	(2,174,386)	(5,867,765)	(2,657,708)	3,210,057
Net change in fund balances	-	-	3,311,264	3,311,264
Fund balance, beginning of year	13,684,638	13,684,638	13,684,638	-
Fund balance, end of year	$ 13,684,638	$ 13,684,638	$ 16,995,902	$ 3,311,264

The accompanying notes are an integral part of these financial statements.

LIBERTY COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2012

	Solid Waste Fund	Nonmajor Enterprise Funds	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 142,994	$ 70,979	$ 213,973
Accounts receivable, net of allowance	612,568	-	612,568
Total current assets	755,562	70,979	826,541
NONCURRENT ASSETS			
Capital assets:			
Nondepreciable	153,711	178,848	332,559
Depreciable, net of accumulated depreciation	1,354,588	-	1,354,588
Total noncurrent assets	1,508,299	178,848	1,687,147
Total assets	2,263,861	249,827	2,513,688
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	279,544	-	279,544
Accrued expenses	5,125	-	5,125
Customer deposits payable	18,435	11,400	29,835
Capital lease payable - current portion	11,226	-	11,226
Landfill postclosure care costs - current portion	72,020	-	72,020
Compensated absences - current portion	30,920	-	30,920
Total current liabilities	417,270	11,400	428,670
NONCURRENT LIABILITIES			
Advance from other funds	3,973,139	-	3,973,139
Capital lease payable - long term portion	63,127	-	63,127
Landfill postclosure care costs - long term portion	1,008,280	-	1,008,280
Compensated absences - long term portion	7,730	-	7,730
Total long term liabilities	5,052,276	-	5,052,276
Total liabilities	5,469,546	11,400	5,480,946
NET ASSETS (DEFICIT)			
Invested in capital assets, net of related debt	1,433,946	178,848	1,612,794
Unrestricted	(4,639,631)	59,579	(4,580,052)
Total net assets (deficit)	$ (3,205,685)	$ 238,427	$ (2,967,258)

The accompanying notes are an integral part of these financial statements.

LIBERTY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Solid Waste Fund	Nonmajor Enterprise Funds	Total
OPERATING REVENUES			
Charges for services	$ 2,774,432	$ -	$ 2,774,432
Miscellaneous	157	-	157
Total operating revenues	2,774,589	-	2,774,589
OPERATING EXPENSES			
Personnel costs	660,039	-	660,039
Cost of sales and service	1,359,423	-	1,359,423
Supplies	264,755	-	264,755
Administration	34,087	45	34,132
Depreciation expense	302,334	-	302,334
Total operating expenses	2,620,638	45	2,620,683
Operating income (loss)	153,951	(45)	153,906
NONOPERATING REVENUES			
Intergovernmental	7,646	-	7,646
Interest expense	(6,206)	-	(6,206)
Interest income	105	31	136
Total nonoperating revenues	1,545	31	1,576
Income (loss) before contributions	155,496	(14)	155,482
CAPITAL CONTRIBUTIONS	1,076	178,848	179,924
Change in net assets	156,572	178,834	335,406
NET ASSETS (DEFICIT), beginning of year	(3,362,257)	59,593	(3,302,664)
NET ASSETS (DEFICIT), end of year	$ (3,205,685)	$ 238,427	$ (2,967,258)

The accompanying notes are an integral part of these financial statements.

LIBERTY COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Solid Waste Fund	Nonmajor Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 2,440,323	$ 11,400	$ 2,451,723
Payments to suppliers	(1,588,082)	(45)	(1,588,127)
Payments to employees	(663,789)	-	(663,789)
Net cash provided by operating activities	188,452	11,355	199,807
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Intergovernmental revenue	7,646	-	7,646
Net cash provided by noncapital and related financing activities	7,646	-	7,646
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisitions of capital assets	(180,946)	-	(180,946)
Principal payments on capital leases	(10,461)	-	(10,461)
Interest paid	(6,206)	-	(6,206)
Net cash used in capital and related financing activities	(197,613)	-	(197,613)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	105	31	136
Net cash provided by investing activities	105	31	136
Change in cash and cash equivalents	(1,410)	11,386	9,976
Cash and cash equivalents:			
Beginning of year	144,404	59,593	203,997
End of year	$ 142,994	$ 70,979	$ 213,973
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 153,951	$ (45)	$ 153,906
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	302,334	-	302,334
Change in assets and liabilities:			
Increase in accounts receivable	(101,177)	-	(101,177)
Increase in accounts payable	161,920	-	161,920
Decrease in accrued expenses	(3,750)	-	(3,750)
Decrease in postclosure liabilities	(93,492)	-	(93,492)
Increase in customer deposits payable	1,755	11,400	13,155
Decrease in due to other funds	(233,089)	-	(233,089)
Net cash provided by operating activities	$ 188,452	$ 11,355	$ 199,807
Noncash investing, capital, and financing activities:			
Donated assets	$ -	$ 16,876	$ 16,876
Capital assets contributed from other funds	1,076	161,972	163,048
Net noncash investing, capital, and financing activities	$ 1,076	$ 178,848	$ 179,924

The accompanying notes are an integral part of these financial statements.

LIBERTY COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Agency Funds	Employee Retirement Plan
ASSETS		
Cash	$ 861,996	$ -
Investments, at fair value:		
Certificates of deposit	372,565	-
Mutual funds	-	12,625,755
Accounts receivable	-	85,671
Taxes receivable	3,430,542	-
Other receivables	20,907	-
Total assets	$ 4,686,010	$ 12,711,426
LIABILITIES		
Due to others	$ 1,255,468	$ -
Uncollected taxes	3,430,542	-
Total liabilities	4,686,010	-
NET ASSETS		
Held in trust for pension benefits (see Schedule of Funding Progress on page 60)	$ -	$ 12,711,426

The accompanying notes are an integral part of these financial statements.

LIBERTY COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Employee Retirement Plan
ADDITIONS	
Contributions:	
Employer	$ 780,336
Employee	324,973
Total contributions	1,105,309
Investment earnings:	
Net decrease in fair value of investments	(593,584)
Less investment expenses	30,999
Net investment earnings	(624,583)
Total additions	480,726
DEDUCTIONS	
Benefits	888,359
Total deductions	888,359
Change in net assets	(407,633)
NET ASSETS, BEGINNING OF YEAR	13,119,059
NET ASSETS, END OF YEAR	$ 12,711,426

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present Liberty County, Georgia (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County.

Discretely Presented Component Units

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

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

Separate financial statements for the Liberty Regional Medical Center can be obtained from its administrative office at 462 E. G. Miles Parkway, Hinesville, Georgia 31313. The Authority's fiscal year ends on November 30, and accordingly, the component unit financial statements for LRMC are for the year ended November 30, 2011.

Blended Component Unit

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

Separate financial statements for the LCPC are not prepared.

B. Government-wide and Fund Financial Statements

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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

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

C. Measurement Focus, Basis of Accounting and Basis of Presentation

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 the fiduciary fund financial statements, although the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial* resources measurement focus and the *modified accrual* basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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

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

The County reports the following major business-type fund:

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

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***capital project funds*** account for the acquisition or construction of capital facilities.

The ***employee retirement plan trust fund*** accounts for all activities of the County's defined benefit pension plan.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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

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

D. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Statutes authorize the County to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations, repurchase agreements and Georgia Fund 1, the Local Government Investment Pool.

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

E. Short-Term Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both governmental-wide and fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, 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 $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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 useful lives are expensed as incurred.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets is included as part of the capitalized value of the assets constructed. No interest expense was capitalized during the fiscal year ending June 30, 2012.

Depreciation is provided on the straight-line method over the following estimated useful lives:

Primary Government	
Buildings and improvements	10 - 50 years
Machinery and equipment	4 - 40 years
Infrastructure	20 - 50 years
Liberty Regional Medical Center	
Land improvements	15 - 20 years
Buildings and building improvements	20 - 40 years
Equipment	3 - 7 years

H. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

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

J. Fund Equity

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

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

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

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

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

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commission has authorized the County Administrator to assign fund balances.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity (Continued)

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

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

Net Assets – Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted.

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

K. Management Estimates

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

L. Operating Leases

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

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "certain long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Accrued interest payable	$	(74,775)
Notes payable		(487,081)
Capital lease payable		(345,318)
Bonds payable		(28,841,746)
Unamortized discount on bonds		139,065
Unamortized bond issuance costs		676,568
Compensated absences		(1,180,334)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	(30,113,621)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	$	10,587,156
Depreciation expense		(4,006,789)
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities*	$	6,580,367

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.” The details of this difference are as follows:

Donations of capital assets	$	8,500
Transfers of capital assets		(163,048)
Net adjustment to decrease *net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities*	$	(154,548)

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this difference are as follows:

Amortization of bond discounts	$	(12,954)
Amortization of bond issuance cost		(59,938)
Principal payments		
Notes payable		232,130
Capital lease payable		82,151
Bonds payable		975,293
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities*	$	1,216,682

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this difference are as follows:

Accrued interest	$	2,783
Compensated absences		(68,570)
Net pension asset		(293,019)
Net other postemployment benefit liability		(1,435,047)
Net adjustment to decrease *net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities*	$	(1,793,853)

NOTE 3. LEGAL COMPLIANCE - BUDGETS

A. Budgets and Budgetary Accounting

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

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

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

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

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

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

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

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

B. Encumbrances

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

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

C. Excess Expenditures Over Appropriations

For the year ended June 30, 2012, the following General Fund departments and Special Revenue Funds had excess of actual expenditures over appropriations, which were funded by available fund balance:

	Excess
Law	$ 18,383
Superior court	197
Clerk of superior court	53,415
Juvenile court	10,493
Traffic control	4,443
School resource officer	1,060
Emergency medical services	4,023
Flemington law enforcement	4,621
Intergoverment welfare payments	1,632
Debt service	14,514
Special Revenue - Victim Witness Assistance Fund	25,174
Special Revenue - Recreation Fund	5,841
Special Revenue - Hotel / Motel Fund	1,144
Special Revenue - Liberty County Projects Corporation	194,581

NOTE 4. CASH AND INVESTMENTS

Total deposits and investments as of June 30, 2012, are summarized as follows:

Amounts as presented on the entity-wide statement of net assets:	
Cash and cash equivalents	$ 30,967,715
Investments	349,698
Amounts as presented on the fiduciary statement of net assets:	
Cash and cash equivalents - Agency Fund	861,996
Investments - Agency Funds	372,565
Investments - Employee Retirement Plan	12,625,755
Total	$ 45,177,729
Cash deposited with financial institutions	$ 32,421,126
Investments in Mutual Funds	12,756,603
	$ 45,177,729

As of June 30, 2012, the County held the following investments:

Investment	Maturities	Fair Value
Mutual Funds	N/A	$ 12,756,603
Certificates of deposit	6 month weighted average	591,415
		$ 13,348,018

NOTE 4. CASH AND INVESTMENTS (CONTINUED)

Included in the mutual funds investments above, are $130,848 of mutual funds held by the County Probate Court and Victim Witness Assitance Funds. These funds are holding these investments in a purely custodial capacity as a result of court initiated transactions.

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

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

Custodial Credit Risk – Deposits. The County does not have a formal custodial credit risk policy. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2012, the County did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

Custodial Credit Risk – Deposits – Liberty County Department of Public Health. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Board of Health will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2012, the Department of Public Health did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

NOTE 5. RECEIVABLES

Receivables consisted of the following at June 30, 2012:

	General	Special Purpose Local Option Sales Tax V	Special Purpose Local Option Sales Tax IV
Receivables:			
Taxes	$ 1,584,769	$ -	$ -
Accounts	1,054,986	-	-
Due from other governments	480,723	855,563	-
Gross receivables	3,120,478	855,563	-
Less allowance for uncollectibles	(1,096,177)	-	-
Net total receivable	$ 2,024,301	$ 855,563	$ -

	Other Governmental Funds	Solid Waste	Total
Receivables:			
Taxes	$ -	$ -	$ 1,584,769
Accounts	224,728	921,233	2,200,947
Due from other governments	733,298	-	2,069,584
Gross receivables	958,026	921,233	5,855,300
Less allowance for uncollectibles	-	(308,665)	(1,404,842)
Net total receivable	$ 958,026	$ 612,568	$ 4,450,458

Property taxes attached as an enforceable lien on property as of January 1, 2011. Property taxes were levied on May 21, 2011, and payable on or before February 29, 2012. The County bills and collects its own property taxes. Property taxes levied for 2011 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2012, and collected by August 31, 2012, are recognized as revenues in the year ended June 30, 2012. Net receivables estimated to be collected subsequent to August 31, 2012, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the County's governmental activities for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 7,803,371	$ -	$ -	$ -	$ 7,803,371
Construction in progress	25,749,282	5,516,282	-	(24,330,310)	6,935,254
Total capital assets, not being depreciated	33,552,653	5,516,282	-	(24,330,310)	14,738,625
Capital assets, being depreciated:					
Buildings	34,181,503	4,261,167	-	23,877,119	62,319,789
Machinery and equipment	12,852,338	818,207	(254,995)	(40,925)	13,374,625
Infrastructure	69,336,551	-	-	291,219	69,627,770
Total capital assets, being depreciated	116,370,392	5,079,374	(254,995)	24,127,413	145,322,184
Less accumulated depreciation for:					
Buildings	(6,376,584)	(964,079)	-	-	(7,340,663)
Machinery and equipment	(8,314,127)	(1,163,398)	254,995	39,849	(9,182,681)
Infrastructure	(25,029,993)	(1,879,312)	-	-	(26,909,305)
Total accumulated depreciation	(39,720,704)	(4,006,789)	254,995	39,849	(43,432,649)
Total capital assets, being depreciated, net	76,649,688	1,072,585	-	24,167,262	101,889,535
Governmental activities capital assets, net	$ 110,202,341	$ 6,588,867	$ -	$ (163,048)	$ 116,628,160

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	$ 233,076
Judicial	174,816
Public safety	1,011,779
Public works	1,750,935
Health and welfare	59,882
Culture and recreation	259,029
Intergovernmental programs	517,272
Total depreciation expense - governmental activities	$ 4,006,789

Capital asset activity for the County's business-type activities for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 153,711	$ -	$ -	$ -	$ 153,711
Construction in progress	-	16,876	-	161,972	178,848
Total capital assets, not being depreciated	153,711	16,876	-	161,972	332,559
Capital assets, being depreciated:					
Landfill	316,505	-	-	-	316,505
Building and improvements	2,378,343	180,946	-	42,397	2,601,686
Machinery and equipment	1,915,817	-	(6,000)	(1,472)	1,908,345
Total capital assets, being depreciated	4,610,665	180,946	(6,000)	40,925	4,826,536
Less accumulated depreciation for:					
Landfill	(316,505)	-	-	-	(316,505)
Building and improvements	(1,384,821)	(171,370)	-	-	(1,556,191)
Machinery and equipment	(1,434,439)	(130,964)	6,000	(39,849)	(1,599,252)
Total accumulated depreciation	(3,135,765)	(302,334)	6,000	(39,849)	(3,471,948)
Total capital assets, being depreciated, net	1,474,900	(121,388)	-	1,076	1,354,588
Business-type activities capital assets, net	$ 1,628,611	$ (104,512)	$ -	$ 163,048	$ 1,687,147

Depreciation expense was charged to the Solid Waste Fund for the business-type activities.

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Liberty Regional Medical Center

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 1,969,526	$ 360,720	$ -	$ -	$ 2,330,246
Construction in progress	573,892	160,899	(432,612)		302,179
Total capital assets, not being depreciated	2,543,418	521,619	(432,612)	-	2,632,425
Capital assets, being depreciated:					
Building and improvements	21,631,262	28,362	-	-	21,659,624
Machinery and equipment	9,538,960	1,005,934	-	-	10,544,894
Total capital assets, being depreciated	31,170,222	1,034,296	-	-	32,204,518
Less accumulated depreciation for:					
Building and improvements	(12,240,877)	(993,285)	-	-	(13,234,162)
Machinery and equipment	(7,955,377)	(571,169)	-	-	(8,526,546)
Total accumulated depreciation	(20,196,254)	(1,564,454)	-	-	(21,760,708)
Total capital assets, being depreciated, net	10,973,968	(530,158)	-	-	10,443,810
Business-type activities capital assets, net	$ 13,517,386	$ (8,539)	$ (432,612)	$ -	$ 13,076,235

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds payable	$ 29,817,039	$ -	$ (975,293)	$ 28,841,746	$ 1,102,311
Less unamortized discount	(152,019)	-	12,954	(139,065)	-
Total revenue bonds	29,665,020	-	(962,339)	28,702,681	1,102,311
Notes payable	719,211	-	(232,130)	487,081	239,677
Capital leases payable	427,469	-	(82,151)	345,318	137,598
Compensated absences	1,111,764	808,220	(739,650)	1,180,334	944,267
Net pension obligation	198,027	1,083,269	(790,250)	491,046	-
Net OPEB obligation	3,961,735	1,654,485	(219,438)	5,396,782	-
Governmental activities long-term liabilities	$ 36,083,226	$ 3,545,974	$ (3,025,958)	$ 36,603,242	$ 2,423,853
Business-type activities:					
Capital leases payable	$ 84,814	$ -	$ (10,461)	$ 74,353	$ 11,226
Compensated absences	45,068	30,521	(36,939)	38,650	30,920
Landfill postclosure care	1,173,792	-	(93,492)	1,080,300	72,020
Business-type activities long-term liabilities	$ 1,303,674	$ 30,521	$ (140,892)	$ 1,193,303	$ 114,166

NOTE 7. LONG-TERM DEBT (CONTINUED)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component unit - Liberty County Health Department					
Compensated absences	$ 93,221	$ -	$ (9,419)	$ 83,802	$ 16,760
Liberty County Health Department long-term liabilities	$ 93,221	$ -	$ (9,419)	$ 83,802	$ 16,760
Component unit - Liberty Regional Medical Center					
Revenue certificates	$ 16,525,000	$ -	$ (845,000)	$ 15,680,000	$ 875,000
Add unamortized premium	429,407	-	(50,678)	378,729	-
Less deferred defeasance costs	(824,587)	-	68,715	(755,872)	-
Total certificates payable	16,129,820	-	(826,963)	15,302,857	875,000
Lease payable	460,124	623,977	(234,146)	849,955	374,001
Notes payable	4,414,221	1,401,450	(1,410,708)	4,404,963	1,609,911
Liberty Regional Medical Center long-term liabilities	$ 21,004,165	$ 2,025,427	$ (2,471,817)	$ 20,557,775	$ 2,858,912

For governmental activities, compensated absences are generally liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Solid Waste Fund.

A. Primary Government

Governmental Activities Debt

Revenue Bonds.

During the year ended June 30, 2005, the County issued bonds through the Public Facilities Authority of Liberty County, Georgia in the amount of $1,760,000. The bonds bear interest of 3.25% with final maturity in 2013. Proceeds of the bonds were used to 1) refund the outstanding Hospital Authority Revenue Bonds, Series 1992 in the amount of $1,415,000; 2) finance the cost of demolishing the old hospital building and 3) pay the costs of issuing the bonds. Pursuant to the bond issue, the County entered into an intergovernmental agreement contract with the Public Facilities Authority of Liberty County, Georgia whereby the County has an unconditional obligation to provide sufficient funds for the debt service payments and related paying agent or bond register fees. The County is authorized to exercise its powers of taxation to the extent necessary to pay the amounts required by the contract.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Governmental Activities Debt (Continued)

Revenue Bonds. (Continued)

During the year ended June 30, 2009, the County issued bonds through the Public Facilities Authority of Liberty County, Georgia in the amount of $5,000,000. The Public Facility Authority, Revenue Bonds Series 2008A bear interest of 3.75% to 5.00% with final maturity in 2029 and Public Facility Authority, Revenue Bonds Series 2008B bear interest of 6.00% with final maturity in 2039. Proceeds of the bonds were used to 1) refinance the cost of construction related to the Wright Army Airfield; and 2) pay the costs of issuing the bonds. Pursuant to the bond issue, the County entered into an intergovernmental agreement contract with the Public Facilities Authority of Liberty County, Georgia whereby the County has an unconditional obligation to provide sufficient funds for the debt service payments and related paying agent or bond register fees. The County is authorized to exercise its powers of taxation to the extent necessary to pay the amounts required by the contract.

During the year ended June 30, 2009, the County issued bonds through the Public Facilities Authority of Liberty County, Georgia in the amount of $20,785,000. The bonds bear interest of 4.25% with final maturity in 2029. Proceeds of the bonds were used for the purpose of financing 1) all or a portion of the cost of acquisition, construction, development and equipping of various capital outlay projects located within the County; and 2) to pay the costs of issuance of the bonds. The bonds are limited obligations of the Public Facilities Authority, payable solely from payments to be made by the County pursuant to an intergovernmental contract between the Public Facility Authority and the County. The County's obligation under the contract to make payments to the Public Facilities Authority at times and in amounts sufficient to enable the Public Facilities Authority to pay the principal of and interest on the bonds is absolute and unconditional, is secured by a pledge of the County's full faith and credit and taxing powers and will not expire so long as any of the bonds remain outstanding and unpaid. The County intends to make its payments under the contract from its portion of the revenues generated by a one percent special local option sales and use tax (the "SPLOST"); however, the County's portion of the revenues from the SPLOST are not pledged to such payments or to secure the payment of the bonds.

During the year ended June 30, 2011, the County issued tax-exempt Revenue Bonds, Series 2011, through the Liberty County Projects Corporation of Liberty County, Georgia, in the amount of $4,772,039. Series 2011 bonds outstanding at June 30, 2012 were $4,736,746. The bonds bear interest of 4.00% with final maturity in 2032. Proceeds from the bonds were used for construction of a building and pay certain costs incurred in connection with the execution and delivery of the bonds. The bonds are limited obligations of the County and are payable solely from the rent received on the building.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue bonds debt service requirements to maturity are as follows as of June 30, 2012:

Fiscal year ending June 30,	Principal	Interest	Total
2013	$ 1,102,311	$ 1,177,307	$ 2,279,618
2014	1,156,675	1,156,199	2,312,874
2015	959,384	1,119,740	2,079,124
2016	1,306,909	1,086,415	2,393,324
2017	1,355,969	1,040,955	2,396,924
2018 - 2022	7,577,927	4,411,080	11,989,007
2023 - 2027	9,275,814	2,711,655	11,987,469
2028 - 2032	5,506,757	684,862	6,191,619
2033 - 2037	405,000	133,800	538,800
2038 - 2039	195,000	17,700	212,700
	$ 28,841,746	$ 13,539,713	$ 42,381,459

Notes payable. The County has incurred debt to a local financial institution for equipment purchases. These notes are as follows at June 30, 2012:

Purpose	Original Amount	Interest Rate	Due Date	Balance at June 30, 2012
Equipment purchase	$ 1,166,059	3.18%	2014	$ 487,081
				487,081
			Less current maturities	(239,677)
				$ 247,404

Notes payable debt service requirements to maturity are as follows as of June 30, 2012:

Fiscal year ending June 30,	Principal	Interest	Total
2013	239,677	15,704	255,381
2014	247,404	7,977	255,381
	$ 487,081	$ 23,681	$ 510,762

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of various equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inceptions. The following is an analysis of leased assets under capital leases as of June 30, 2012:

	Governmental Activities
Equipment	$ 561,394
Less: Accumulated depreciation	(180,133)
	$ 381,261

The following is a schedule of future minimum lease payments together with the present value of net minimum lease payments as of June 30, 2012:

	Governmental Activities
Fiscal year ending June 30,	
2013	$ 149,701
2014	215,000
Total minimum lease payments	364,701
Less amount representing interest	(19,383)
Present value of future minimum lease payments	$ 345,318

Business-type Activities Debt

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inceptions. The following is an analysis of leased assets under capital leases as of June 30, 2012:

	Business-type Activities
Equipment	$ 101,480
Less: Accumulated depreciation	(15,709)
	$ 85,771

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The following is a schedule of future minimum lease payments together with the present value of net minimum lease payments as of June 30, 2012:

	Business-type Activities
Fiscal year ending June 30,	
2013	$ 16,667
2014	16,667
2015	54,817
Total minimum lease payments	88,151
Less amount representing interest	(13,798)
Present value of future minimum lease payments	$ 74,353

Landfill Postclosure Care Cost. Effective October 1998, the Liberty County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the sites for a minimum of 30 years. Engineering studies estimate postclosure costs of approximately $1,080,300 over the remaining 16-year period. These costs are based on what it would cost to perform all postclosure care in 2012, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

B. Component Unit – Liberty Regional Medical Center

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

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

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

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Component Unit – Liberty Regional Medical Center (Continued)

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

The following is a listing of the Revenue Certificates payable at November 30, 2011:

Revenue Certificates, Series 1998, maturing in installments of $170,000 in 2010 to $270,000 in 2020 each May 1. The certificates bear interest per annum of 4.86%. The certificates are secured by the net revenues of the Authority.	$	2,035,000
Revenue Certificates, Series 2004, maturing in installments of $135,000 in 2010 to $250,000 in 2024 each May 1. The certificates bear interest per annum of 4.40%. The certificates are secured by the net revenues of the Authority.		2,555,000
Revenue Certificates, Series 2005, maturing in installments of $510,000 in 2010 to $1,005,000 in 2026 each August 1. The certificates bear interest rates of 3.00% to 5.00%. The certificates are secured by the net revenues of the Authority.		11,090,000
Total Revenue Certificates		15,680,000
Less current portion		(875,000)
Plus unamortized premium		378,729
Less deferred amount on refunding		(755,872)
Revenue Certificates, net of current portion	$	14,427,857

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Component Unit – Liberty Regional Medical Center (Continued)

Notes payable. The following is a listing of the notes payable at November 30, 2011:

5.75 note payable due October 2025, collateralized by accounts receivable and building and equipment.	$	2,208,467
3.75% note payable, due October 2013, collateralized by accounts receivable		369,446
3.75% line of credit, due June 2012, collateralized by accounts receivable with maximum principal available of $1,262,218.		1,262,218
3.25% line of credit due January 2014, collateralized by accounts receivable with maximum principal available of $262,600.		115,374
6.00% line of credit due September 2010, collateralized by property with maximum principal available of $650,000.		449,458
Total notes payable		4,404,963
Less current portion		(1,609,911)
Notes payable, net of current portion	$	2,795,052

Scheduled principal and interest payments on all of the Authority's long-term debt are as follows:

	Long-Term Debt		Obligations Under Capital
	Principal	Interest	Captial Lease
Fiscal year ending November 30,			
2012	2,484,911	1,003,443	407,700
2013	1,271,124	921,602	336,069
2014	1,083,254	870,825	81,500
2015	1,574,137	813,192	54,989
2016 - 2020	1,177,335	656,732	32,498
2021 - 2025	6,438,308	2,426,045	-
2026 - 2029	6,055,894	844,866	-
	$ 20,084,963	$ 7,536,705	912,756
Less amount representing interest on obligations under capital lease			(62,801)
			$ 849,955

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2012, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Special Purpose Local Option Sales Tax V	$ 1,236,707
General Fund	Special Purpose Local Option Sales Tax IV	44,669
General Fund	Nonmajor Governmental Funds	1,621,790
Nonmajor Governmental Funds	General Fund	420,701
Nonmajor Governmental Funds	Nonmajor Governmental Funds	1,363
		$ 3,325,230

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental - Recreation Fund	$ 243,057
General Fund	Solid Waste Fund	3,973,139
		$ 4,216,196

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Advances to/from other funds represent amounts not expected to be repaid within one year from the date of the financial statements.

	Transfer From	
	General	Total
Transfer To		
Nonmajor Governmental Funds	$ 2,690,766	$ 2,690,766
Total	$ 2,690,766	$ 2,690,766

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

Participant Data

At July 1, 2011, the date of the most recent actuarial valuation, there were 442 participants as follows:

Active participants	323
Retirees and beneficiaries	79
Vested terminated	40
	442

As of the most recent valuation date, July 1, 2011, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
7/1/2011	$ 12,996,032	$ 22,020,668	$ 9,024,636	59.0 %	$ 11,785,415	76.6 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2011.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funding Policy

The County is required to contribute an actuarially determined amount annually to the Plan's trust. A contribution amount is determined using actuarial methods and assumptions approved by the Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. The required contribution for the 2012 Plan year is $985,281. Plan members are required to contribute 2.5% of their annual covered salary. The County is required to contribute at an actuarially determined rate.

Annual Pension Cost and Net Pension Obligation

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

	June 30, 2011	June 30, 2012
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 985,281	$ 1,101,553
Interest on Net Pension Obligation	(30,047)	(18,284)
Annual Pension Cost	$ 955,234	$ 1,083,269
Derivation of Net Pension Obligation		
Annual Pension Cost		$ 1,083,269
Actual Contributions to Plan		790,250
Increase in Net Pension Obligation		293,019
Net Pension Obligation as of June 30, 2011		198,027
Net Pension Obligation as of June 30, 2012		$ 491,046

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Basis of Valuation

Current valuation date	July 1, 2011
Annual return on invested Plan assets	8.50%
Projected annual salary increases	3.0%
Expected annual inflation	4.00%
Actuarial value of assets	Market Value
Actuarial cost method	Entry Age Normal
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period	30

Trend Information for The Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
7/1/2011	$ 1,083,269	$ 790,250	73.0 %	$ 491,046
7/1/2010	955,234	788,307	82.5	198,027
7/1/2009	808,323	775,309	95.9	31,100
7/1/2008	786,172	877,032	111.6	(1,914)
7/1/2007	775,556	821,421	105.9	88,946
7/1/2006	599,592	732,397	122.1	134,811

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

The General Fund pays the total monthly cost of post-retirement coverage. The cost of coverage by the County effective at the year ended June 30, 2012 is at the single coverage rate of $361.14 per month, independent of which plan is elected (HMO or PPO) and independent of whether single or family coverage is elected. The insurance premiums are paid by the County on a pay-as-you-go basis. The cost to the County for the health care and life insurance premiums in fiscal year 2012 was $217,050 and $2,388, respectively, for 49 retirees.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Membership in the OPEB Plan as of the most recent actuarial valuation date (July 1, 2011) is as follows:

Active employees	281
Retired participants receiving benefits	49
Total membership	330

Annual OPEB Cost and Net OPEB Obligation

The County contributed $219,438 to the OPEB Plan in the year ended June 30, 2012. The annual required contribution amount is determined using actuarial methods and assumptions approved by the County Commission. The County Commission establishes and may amend the funding policy for the OPEB Plan.

	June 30, 2011	June 30, 2012
Annual required employer contribution	$ 1,624,487	$ 1,725,124
Interest on OPEB obligation	103,396	158,469
Adjustment to annual required contribution	(149,485)	(229,108)
Annual pension cost	1,578,398	1,654,485
Employer contributions	201,555	219,438
Increase in net OPEB obligation	1,376,843	1,435,047
Net OPEB obligation beginning of year	2,584,892	3,961,735
Net OPEB obligation end of year	$ 3,961,735	$ 5,396,782

Trend Information

Fiscal Year Ending	Annual OPEB Cost (APC)	Percentage of APC Contributed	Net OPEB Obligation
6/30/2009	$ 1,476,786	12.2 %	$ 1,296,242
6/30/2010	1,479,103	12.9	2,584,892
6/30/2011	1,578,398	12.8	3,961,735
6/30/2012	1,654,485	13.3	5,396,782

As of July 1, 2011, the most recent valuation date, the funded status of the OPEB Plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2011	$ -	$ 13,853,841	$ 13,853,841	- %	N/A	N/A

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Trend Information (Continued)

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2011.

Actuarial Assumptions

Actuarial valuations involve estimates of the value of reported amount and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at July 1, 2011. The assumptions used in the July 1, 2011 actuarial valuation are as follows:

Valuation date	July 1, 2011
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percent of Pay (closed)
Amortization period	30 years
Asset valuation method	Market Value
Actuarial assumptions:	
Discount rate	4.00%
Inflation	5.00%

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 and omissions; and natural disasters for which the County carries commercial insurance. The County purchases commercial insurance to cover property and professional liability claims.

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

NOTE 11. RISK MANAGEMENT (CONTINUED)

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

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

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

Contractual Commitments

At June 30, 2012, in addition to the liabilities enumerated on the balance sheet, the County also had contractual commitments on uncompleted construction contracts in the amount of approximately $438,933 for the completion of County's Court House renovations.

Grant Contingencies

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

NOTE 13. RELATED ORGANIZATIONS

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

NOTE 14. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the 10-county coastal Georgia region, is a member of the Coastal Regional Commission of Georgia (CRC) and is required to pay annual dues thereto. During its year ended June 30, 2012, the County paid $21,273 in such dues. Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the CRC in Georgia. The CRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the Coastal Regional Commission, 127 F Street, Brunswick, Georgia 31520.

NOTE 15. HOTEL/MOTEL LODGING TAX

The County has imposed a 5% hotel/motel tax on lodging facilities within County. Revenues collected during the fiscal year ended June 30, 2012, were $1,644. This entire amount was paid to the Liberty County Chamber of Commerce to promote tourism within Liberty County.

NOTE 16. DEFICIT FUND BALANCES / NET ASSETS

The Multiple Grant Fund reported a deficit fund balance of $73,401; the Recreation Fund reported a deficit fund balance of $239,817; Records Service Center reported a deficit fund balance of $574; Liberty County Projects Corporation reported a deficit fund balance of $31,417; Wright Army Airfield Grant Fund reported a deficit fund balance of $262,550; and the Solid Waste Fund reported deficit net assets of $3,205,685 at June 30, 2012. The Wright Army Airfield Grant Fund and the Multiple Grant Fund deficits are intended to be eliminated through increased transfers from the General Fund and additional grant revenues. The Recreation Fund, Records Service Center Fund, and the Liberty County Projects Corporation deficits are intended to be eliminated through increased transfers from the General Fund. The Solid Waste Fund deficit is intended to be eliminated through increases in user charges.

NOTE 17. OPERATING LEASES

The County leases equipment under operating lease agreements. The rental expense was $14,951 during the fiscal year ended June 30, 2012. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2012:

Fiscal year ending June 30,		
2013	$	12,142
2014		306
Total minimum payments required	$	12,448

LIBERTY COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
7/1/2011	$ 12,996,032	$ 22,020,668	$ 9,024,636	59.0 %	$ 11,785,415	76.6 %
7/1/2010	10,740,357	18,905,723	8,165,366	56.8	11,770,926	69.4
7/1/2009	10,787,258	17,397,489	6,610,231	62.0	11,959,009	55.3
7/1/2008	10,746,539	16,591,518	5,844,979	64.8	11,939,422	49.0
7/1/2007	9,688,155	12,491,704	2,803,549	77.6	10,847,316	25.8
7/1/2006	8,519,662	10,637,325	2,117,663	80.1	8,294,061	25.5
7/1/2005	7,439,098	9,507,719	2,068,621	78.2	8,446,192	24.5
7/1/2004	6,545,225	9,520,435	2,975,210	68.7	8,172,920	36.4

OTHER POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2011	$ -	$ 13,853,841	$ 13,853,841	- %	N/A	N/A
7/1/2010	-	12,728,143	12,728,143	-	N/A	N/A
7/1/2009	-	11,580,261	11,580,261	-	N/A	N/A
7/1/2008	-	10,491,480	10,491,480	-	N/A	N/A

The assumptions used in the preparation of the above schedules are disclosed in Notes 9 and 10 to the financial statements.

LIBERTY COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

Technology Fund is used to account for funds received and expenditures for technology equipment for the courts.

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

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

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

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

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

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

LIBERTY COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

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

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

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

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

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

LIBERTY COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Special Revenue Funds				
ASSETS	**E-911 System**	**Victim Witness Assistance**	**Juvenile Services**	**Multiple Grant Fund**	**Child Support Recovery**
Cash and cash equivalents	$ 618,985	$ 343,141	$ 14,759	$ 45,158	$ 217,818
Investments	-	326,621	-	-	-
Taxes receivable	-	-	-	-	-
Accounts receivables	201,433	-	-	-	-
Due from other governments	-	-	-	352,699	212,836
Due from other funds	-	-	-	-	-
Total assets	$ 820,418	$ 669,762	$ 14,759	$ 397,857	$ 430,654
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 31,399	$ 10,021	$ 2,320	$ 87,613	$ 12,970
Accrued liabilities	9,141	859	-	2,221	15,159
Due to other funds	393,378	73,451	5,011	381,424	192,174
Advance from other funds	-	-	-	-	-
Total liabilities	433,918	84,331	7,331	471,258	220,303
FUND BALANCES (DEFICIT)					
Nonspendable:					
Prepaid expenditures	-	-	-	-	-
Restricted for:					
Judicial	-	-	-	-	210,351
Public safety	386,500	585,431	7,428	-	-
Capital outlay	-	-	-	-	-
Committed to:					
Judicial	-	-	-	-	-
Assigned to:					
Public safety - jail	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unassigned	-	-	-	(73,401)	-
Total fund balances (deficit)	386,500	585,431	7,428	(73,401)	210,351
Total liabilities and fund balances	$ 820,418	$ 669,762	$ 14,759	$ 397,857	$ 430,654

(Continued)

Recreation	Records Service Center	Law Library	Technology Fund	DARE Fund
$ 59,411	$ 15,170	$ 68,378	$ 17,969	$ 32,527
-	-	-	-	-
-	-	-	-	-
495	-	-	-	-
-	16,511	-	-	-
-	1,363	-	-	-
$ 59,906	$ 33,044	$ 68,378	$ 17,969	$ 32,527
$ 44,937	$ 733	$ -	$ -	$ -
11,729	965	-	-	-
-	31,920	-	-	18,356
243,057	-	-	-	-
299,723	33,618	-	-	18,356
-	-	-	-	-
-	-	68,378	-	-
-	-	-	-	14,171
-	-	-	-	-
-	-	-	17,969	-
-	-	-	-	-
-	-	-	-	-
(239,817)	(574)	-	-	-
(239,817)	(574)	68,378	17,969	14,171
$ 59,906	$ 33,044	$ 68,378	$ 17,969	$ 32,527

LIBERTY COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Special Revenue Funds				
ASSETS	**Jail Fund**	**Confiscated Assets**	**Hotel / Motel Fund**	**Jail Commissary**	**Liberty County Projects Corporation**
Cash and cash equivalents	$ 180,802	$ 24,792	$ -	$ 181,033	$ -
Investments	-	-	-	-	-
Accounts receivables	-	-	-	-	-
Due from other governments	93,441	-	-	-	35,011
Due from other funds	-	-	-	-	-
Total assets	$ 274,243	$ 24,792	$ -	$ 181,033	$ 35,011
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ 945
Accrued liabilities	-	-	-	-	-
Due to other funds	162,000	-	-	-	65,483
Advance from other funds	-	-	-	-	-
Total liabilities	162,000	-	-	-	66,428
FUND BALANCES (DEFICIT)					
Restricted for:					
Judicial	-	-	-	-	-
Public safety	112,243	24,792	-	-	-
Capital outlay	-	-	-	-	-
Committed to:					
Judicial	-	-	-	-	-
Assigned to:					
Public safety - jail	-	-	-	181,033	-
Capital outlay	-	-	-	-	-
Unassigned	-	-	-	-	(31,417)
Total fund balances (deficit)	112,243	24,792	-	181,033	(31,417)
Total liabilities and fund balances	$ 274,243	$ 24,792	$ -	$ 181,033	$ 35,011

Capital Projects Funds					
Wright Army Airfield Grant Fund	Capital Projects Fund	Water Project Fund	Special Purpose Local Option Sales Tax II	Special Purpose Local Option Sales Tax III	Total Nonmajor Governmental Funds
$ 1,054	$ 152,018	$ -	$ 375,293	$ 764,834	$ 3,113,142
-	-	-	-	-	326,621
22,800	-	-	-	-	224,728
22,800	-	-	-	-	733,298
-	420,300	401	-	-	422,064
$ 46,654	$ 572,318	$ 401	$ 375,293	$ 764,834	$ 4,819,853
$ 18,273	$ 104,500	$ 190	$ -	$ 45,030	$ 358,931
-	-	211	-	-	40,285
290,931	-	-	-	9,025	1,623,153
-	-	-	-	-	243,057
309,204	104,500	401	-	54,055	2,265,426
-	-	-	-	-	278,729
-	-	-	-	-	1,130,565
-	-	-	375,293	710,779	1,086,072
-	-	-	-	-	17,969
-	-	-	-	-	181,033
-	467,818	-	-	-	467,818
(262,550)	-	-	-	-	(607,759)
(262,550)	467,818	-	375,293	710,779	2,554,427
$ 46,654	$ 572,318	$ 401	$ 375,293	$ 764,834	$ 4,819,853

LIBERTY COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Special Revenue Funds				
	E-911 System	Victim Witness Assistance	Juvenile Services	Multiple Grant Fund	Child Support Recovery
Revenues:					
Other taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	8,776	756,362	1,611,632
Charges for services	1,070,381	239,258	-	-	-
Fines and forfeitures	-	417	3,674	-	-
Interest income	340	8,841	11	-	163
Other revenues	-	-	-	-	-
Total revenues	1,070,721	248,516	12,461	756,362	1,611,795
Expenditures:					
Current					
General government	-	-	-	-	-
Judicial	-	263,082	-	433,419	1,611,795
Public safety	1,491,246	-	15,229	308,387	-
Health and welfare	-	-	-	103,256	-
Culture and recreation	-	-	-	-	-
Economic development	-	-	-	189,540	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	1,491,246	263,082	15,229	1,034,602	1,611,795
Excess (deficiency) of revenues over (under) expenditures	(420,525)	(14,566)	(2,768)	(278,240)	-
Other financing sources:					
Transfers in	420,523	-	-	67,798	-
Total other financing sources	420,523	-	-	67,798	-
Net change in fund balances	(2)	(14,566)	(2,768)	(210,442)	-
Fund balances (deficit), beginning of year	386,502	599,997	10,196	137,041	210,351
Fund balances (deficit), end of year	$ 386,500	$ 585,431	$ 7,428	$ (73,401)	$ 210,351

(Continued)

Recreation	Records Service Center	Law Library	Technology Fund	DARE Fund
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
328,377	186,183	-	-	-
-	-	56,661	-	16,537
-	47	541	3	6
21,751	-	-	1,475	-
350,128	186,230	57,202	1,478	16,543
-	184,473	-	-	-
-	-	57,831	2,645	-
-	-	-	-	-
-	-	-	-	10,750
1,498,992	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,498,992	184,473	57,831	2,645	10,750
(1,148,864)	1,757	(629)	(1,167)	5,793
1,139,718	-	-	-	-
1,139,718	-	-	-	-
(9,146)	1,757	(629)	(1,167)	5,793
(230,671)	(2,331)	69,007	19,136	8,378
$ (239,817)	$ (574)	$ 68,378	$ 17,969	$ 14,171

LIBERTY COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Special Revenue Funds				
	Jail Fund	Confiscated Assets	Hotel / Motel Fund	Jail Commissary	Liberty County Projects Corporation
Revenues:					
Other taxes	$ -	$ -	$ 1,644	$ -	$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	111,733	-
Fines and forfeitures	318,846	61,445	-	-	-
Interest income	143	15	-	-	-
Other revenues	-	-	-	-	70,023
Total revenues	318,989	61,460	1,644	111,733	70,023
Expenditures:					
Current					
General government	-	-	-	-	-
Judicial	-	-	-	-	-
Public safety	316,955	127,787	-	127,029	-
Health and welfare	-	-	-	-	4,320,376
Culture and recreation	-	-	-	-	-
Economic development	-	-	1,644	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	35,293
Interest	-	-	-	-	58,962
Total expenditures	316,955	127,787	1,644	127,029	4,414,631
Excess (deficiency) of revenues over (under) expenditures	2,034	(66,327)	-	(15,296)	(4,344,608)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balances	2,034	(66,327)	-	(15,296)	(4,344,608)
Fund balances (deficit), beginning of year	110,209	91,119	-	196,329	4,313,191
Fund balances (deficit), end of year	$ 112,243	$ 24,792	$ -	$ 181,033	$ (31,417)

Capital Projects Funds					
Wright Army Airfield Grant Fund	Capital Projects Fund	Water Project Fund	Special Purpose Local Option Sales Tax II	Special Purpose Local Option Sales Tax III	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 1,644
45,601	-	-	-	-	2,422,371
-	-	-	-	-	1,935,932
-	-	-	-	-	457,580
-	318	-	1,932	1,304	13,664
-	-	-	-	-	93,249
45,601	318	-	1,932	1,304	4,924,440
-	-	-	-	-	184,473
-	-	-	-	-	2,368,772
-	-	-	-	-	2,386,633
-	-	-	-	-	4,434,382
-	-	-	-	-	1,498,992
-	-	-	-	-	191,184
68,268	1,032,501	21,368	24,165	489,980	1,636,282
-	-	-	-	-	35,293
-	-	-	-	-	58,962
68,268	1,032,501	21,368	24,165	489,980	12,794,973
(22,667)	(1,032,183)	(21,368)	(22,233)	(488,676)	(7,870,533)
23,000	1,000,000	39,727	-	-	2,690,766
23,000	1,000,000	39,727	-	-	2,690,766
333	(32,183)	18,359	(22,233)	(488,676)	(5,179,767)
(262,883)	500,001	(18,359)	397,526	1,199,455	7,734,194
$ (262,550)	$ 467,818	$ -	$ 375,293	$ 710,779	$ 2,554,427

LIBERTY COUNTY, GEORGIA

SPECIAL REVENUE FUND - E911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Charges for service	$ 890,000	$ 1,070,381	$ 180,381
Interest income	2,000	340	(1,660)
Total revenues	892,000	1,070,721	178,721
Expenditures:			
Current			
Public safety	1,686,601	1,491,246	195,355
Total expenditures	1,686,601	1,491,246	195,355
Deficiency of revenues under expenditures	(794,601)	(420,525)	374,076
Other financing sources			
Transfers in	794,601	420,523	(374,078)
Total other financing sources	794,601	420,523	(374,078)
Net change in fund balance	-	(2)	(2)
Fund balance, beginning of year	386,502	386,502	-
Fund balance, end of year	$ 386,502	$ 386,500	$ (2)

LIBERTY COUNTY, GEORGIA

SPECIAL REVENUE FUND - VICTIM WITNESS ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Charges for service	$ 237,408	$ 239,258	$ 1,850
Fines and forfeitures	400	417	17
Interest income	100	8,841	8,741
Total revenues	237,908	248,516	10,608
Expenditures:			
Current			
Judicial	237,908	263,082	(25,174)
Total expenditures	237,908	263,082	(25,174)
Net change in fund balance	-	(14,566)	(14,566)
Fund balance, beginning of year	599,997	599,997	-
Fund balance, end of year	$ 599,997	$ 585,431	$ (14,566)

LIBERTY COUNTY, GEORGIA

SPECIAL REVENUE FUND - JUVENILE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Intergovernmental	$ 11,500	$ 8,776	$ (2,724)
Fines and forfeitures	4,000	3,674	(326)
Interest income	-	11	11
Total revenues	15,500	12,461	(3,039)
Expenditures:			
Current			
Public safety	15,500	15,229	271
Total expenditures	15,500	15,229	271
Net change in fund balance	-	(2,768)	(2,768)
Fund balance, beginning of year	10,196	10,196	-
Fund balance, end of year	$ 10,196	$ 7,428	$ (2,768)

LIBERTY COUNTY, GEORGIA

SPECIAL REVENUE FUND - MULTIPLE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAl
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Intergovernmental	$ 1,207,825	$ 756,362	$ (451,463)
Total revenues	1,207,825	756,362	(451,463)
Expenditures:			
Current			
Judicial	626,285	433,419	192,866
Public safety	565,160	308,387	256,773
Public health	65,750	103,256	(37,506)
Economic development	238,066	189,540	48,526
Total expenditures	1,495,261	1,034,602	460,659
Deficiency of revenues under expenditures	(287,436)	(278,240)	9,196
Other financing sources			
Transfers in	296,456	67,798	(228,658)
Total other financing sources	296,456	67,798	(228,658)
Net change in fund balance	9,020	(210,442)	(219,462)
Fund balance, beginning of year	137,041	137,041	-
Fund balance (deficit), end of year	$ 146,061	$ (73,401)	$ (219,462)

LIBERTY COUNTY, GEORGIA

SPECIAL REVENUE FUND - CHILD SUPPORT RECOVERY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAl
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Intergovernmental	$ 1,829,875	$ 1,611,632	$ (218,243)
Interest income	-	163	163
Total revenues	1,829,875	1,611,795	(218,080)
Expenditures:			
Current			
Judicial	1,829,875	1,611,795	218,080
Total expenditures	1,829,875	1,611,795	218,080
Net change in fund balance	-	-	-
Fund balance, beginning of year	210,351	210,351	-
Fund balance, end of year	$ 210,351	$ 210,351	$ -

LIBERTY COUNTY, GEORGIA

SPECIAL REVENUE FUND - RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAl
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Charges for service	$ 328,000	$ 328,377	$ 377
Other revenues	25,000	21,751	(3,249)
Total revenues	353,000	350,128	(2,872)
Expenditures:			
Current			
Culture and recreation	1,493,151	1,498,992	(5,841)
Total expenditures	1,493,151	1,498,992	(5,841)
Deficiency of revenues under expenditures	(1,140,151)	(1,148,864)	(8,713)
Other financing sources			
Transfers in	1,140,151	1,139,718	(433)
Total other financing sources	1,140,151	1,139,718	(433)
Net change in fund balance	-	(9,146)	(9,146)
Fund balance (deficit), beginning of year	(230,671)	(230,671)	-
Fund balance (deficit), end of year	$ (230,671)	$ (239,817)	$ (9,146)

LIBERTY COUNTY, GEORGIA

SPECIAL REVENUE FUND - RECORDS SERVICE CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Charges for service	$ 194,483	$ 186,183	$ (8,300)
Interest income	-	47	47
Total revenues	194,483	186,230	(8,253)
Expenditures:			
Current			
Public safety	194,483	184,473	10,010
Total expenditures	194,483	184,473	10,010
Net change in fund balance	-	1,757	1,757
Fund balance (deficit), beginning of year	(2,331)	(2,331)	-
Fund balance (deficit), end of year	$ (2,331)	$ (574)	$ 1,757

LIBERTY COUNTY, GEORGIA

SPECIAL REVENUE FUND - DARE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAl
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Fines and forfeitures	$ 16,600	$ 16,537	$ (63)
Interest income	-	6	6
Total revenues	16,600	16,543	(57)
Expenditures:			
Current			
Public health	16,600	10,750	5,850
Total expenditures	16,600	10,750	5,850
Net change in fund balance	-	5,793	5,793
Fund balance, beginning of year	8,378	8,378	-
Fund balance, end of year	$ 8,378	$ 14,171	$ 5,793

LIBERTY COUNTY, GEORGIA

SPECIAL REVENUE FUND - JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAl
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Fines and forfeitures	$ 317,900	$ 318,846	$ 946
Interest income	100	143	43
Total revenues	318,000	318,989	989
Expenditures:			
Current			
Public safety	318,000	316,955	1,045
Total expenditures	318,000	316,955	1,045
Net change in fund balance	-	2,034	2,034
Fund balance, beginning of year	110,209	110,209	-
Fund balance, end of year	$ 110,209	$ 112,243	$ 2,034

LIBERTY COUNTY, GEORGIA

SPECIAL REVENUE FUND - HOTEL / MOTEL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAl
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Other taxes	$ 500	$ 1,644	$ 1,144
Total revenues	500	1,644	1,144
Expenditures:			
Current			
Economic development	500	1,644	(1,144)
Total expenditures	500	1,644	(1,144)
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	$ -	$ -	$ -

LIBERTY COUNTY, GEORGIA

SPECIAL REVENUE FUND - LIBERTY COUNTY PROJECTS CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Other revenues	$ 70,050	$ 70,023	$ (27)
Total revenues	70,050	70,023	(27)
Expenditures:			
Current			
Health and welfare	4,157,170	4,320,376	(163,206)
Debt service			
Principal	23,300	35,293	(11,993)
Interest	39,580	58,962	(19,382)
Total expenditures	4,220,050	4,414,631	(194,581)
Net change in fund balance	(4,150,000)	(4,344,608)	(194,608)
Fund balance, beginning of year	4,313,191	4,313,191	-
Fund balance (deficit), end of year	$ 163,191	$ (31,417)	$ (194,608)

LIBERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - #2 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads and drainage	$ 9,416,000	$ 12,890,753	$ 12,932,821	$ 19,713	$ 12,952,534
Hospital	4,173,000	3,287,139	3,289,963	-	3,289,963
Multi-purpose building	2,577,630	1,917,723	1,917,723	-	1,917,723
Recreation	1,142,370	878,403	985,525	-	985,525
Fire protection	802,500	582,845	582,845	-	582,845
Jail	535,000	1,572,600	1,214,754	-	1,214,754
Management	-	930,204	934,959	4,452	939,411
Debt service on sales tax bonds	-	3,441,148	3,441,148	-	3,441,148
Totals	$ 18,646,500	$ 25,500,815	$ 25,299,738	$ 24,165	$ 25,323,903

LIBERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 1999 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads and drainage	$ 13,018,000	$ 14,404,000	$ 13,661,725	$ 231,288	$ 13,893,013
Recreation	2,001,000	2,132,000	2,617,044	-	2,617,044
Fire protection	1,104,000	1,118,000	1,155,834	-	1,155,834
Technical school	2,691,000	2,912,000	2,547,085	-	2,547,085
Jail expansion	2,001,000	2,106,000	2,702,253	-	2,702,253
Court facility	1,196,000	1,196,000	941,082	244,492	1,185,574
Records retention	989,000	1,066,000	1,059,023	-	1,059,023
Management	-	1,066,000	1,209,754	14,200	1,223,954
Debt service	-	616,893	616,893	-	616,893
Totals	$ 23,000,000	$ 26,616,893	$ 26,510,693	$ 489,980	$ 27,000,673

LIBERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2004 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, streets, bridges and drainage	$ 16,750,000	$ 16,040,700	$ 14,915,520	$ 566,524	$ 15,482,044
Other capital outlay projects:	22,250,000				
Courthouse facility		6,727,500	6,685,446	780	6,686,226
Jail expansion		6,318,000	5,097,139	-	5,097,139
Fire protection		1,076,400	950,417	9,334	959,751
Emergency 911 Center		1,345,500	1,589,037	-	1,589,037
Recreation		2,016,300	1,934,627	54,000	1,988,627
Water and Sewer		335,400	-	-	-
Liberty Annex East End		670,800	-	-	-
Hinesville Public Works Expansion		713,700	-	580,046	580,046
Hinesville City Hall Expansion		495,300	-	173,545	173,545
Tech School Expansion		269,100	-	-	-
Historical Cultural Facility		335,400	-	-	-
Management		1,345,000	2,343,562	255,441	2,599,003
Wright Army Airfield		1,345,500	943,494	-	943,494
Debt service		1,875,000	6,826,878	15,572	6,842,450
Totals	$ 39,000,000	$ 40,909,600	$ 41,286,120	$ 1,655,242	$ 42,941,362

NOTE: The difference between the above schedule and the Statement of Revenues, Expenditures, and Changes in Fund Balances is due to reimbursements received in the amount of $6,485 for costs incurred related to County roads and bridges.

LIBERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2009 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Justice Center	$ 8,000,000	$ 8,000,000	$ 18,486,428	$ 745,776	$ 19,232,204
Library	5,000,000	5,000,000	-	-	-
Roads	14,930,000	14,930,000	1,353,320	868,803	2,222,123
Drainage	2,000,000	2,000,000	538,584	255,262	793,846
Courthouse Renovations	1,000,000	1,000,000	-	1,581,383	1,581,383
Fire Protection	2,000,000	2,000,000	1,148,207	562,174	1,710,381
Jail	1,000,000	1,000,000	-	24,800	24,800
Record Retention Center	1,000,000	1,000,000	797,541	-	797,541
Liberty Annex East End	3,320,000	3,320,000	-	-	-
Recreation	3,000,000	3,000,000	165,896	179,330	345,226
Hospital Improvements	750,000	750,000	-	-	-
Public Safety Equipment	500,000	500,000	849,231	-	849,231
Animal Control	1,000,000	1,000,000	1,113	1,915	3,028
Interoperable Communications System	1,000,000	1,000,000	52,305	1,024,455	1,076,760
Wright Army Airfield	1,000,000	1,000,000	-	-	-
Administration	2,000,000	2,000,000	2,128,172	280,166	2,408,338
City of Hinesville Projects	4,000,000	4,000,000	-	1,595,467	1,595,467
Debt service	22,800,000	22,890,448	5,186,641	1,987,692	7,174,333
Totals	$ 74,300,000	$ 74,390,448	$ 30,707,438	$ 9,107,223	$ 39,814,661

NOTE: The difference between the above schedule and the Statement of Revenues, Expenditures, and Changes in Fund Balances is due to reimbursements received from the Department of Homeland Security for $1,122,859, for cost incurred related to the Interoperable Communication System.

LIBERTY COUNTY, GEORGIA
NONMAJOR ENTERPRISE FUNDS

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

Revolving Loan Fund is used to account for the grant proceeds that were loaned to businesses for capital improvements with the goal of creating jobs.

LIBERTY COUNTY, GEORGIA

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2012

	Water System Fund	Revolving Loan Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 11,356	$ 59,623	$ 70,979
Total current assets	11,356	59,623	70,979
NONCURRENT ASSETS			
Capital assets:			
Nondepreciable	178,848	-	178,848
Total noncurrent assets	178,848	-	178,848
Total assets	190,204	59,623	249,827
LIABILITIES			
CURRENT LIABILITIES			
Customer deposits payable	11,400	-	11,400
Total current liabilities	11,400	-	11,400
Total liabilities	11,400	-	11,400
NET ASSETS			
Invested in capital assets, net of related debt	178,848	-	178,848
Unrestricted	(44)	59,623	59,579
Total net assets	$ 178,804	$ 59,623	$ 238,427

The accompanying notes are an integral part of these financial statements.

LIBERTY COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Water System Fund	Revolving Loan Fund	Total
OPERATING EXPENSES			
Administration	$ 45	$ -	$ 45
Total operating expenses	45	-	45
Operating loss	(45)	-	(45)
NONOPERATING REVENUES			
Interest income	1	30	31
Total nonoperating revenues	1	30	31
Income (loss) before contributions	(44)	30	(14)
CAPITAL CONTRIBUTIONS	178,848	-	178,848
Change in net assets	178,804	30	178,834
NET ASSETS, beginning of year	-	59,593	59,593
NET ASSETS, end of year	$ 178,804	$ 59,623	$ 238,427

The accompanying notes are an integral part of these financial statements.

LIBERTY COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Water System Fund	Revolving Loan Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 11,400	$ -	$ 11,400
Payments to suppliers	(45)	-	(45)
Net cash provided by operating activities	11,355	-	11,355
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1	30	31
Net cash provided by investing activities	1	30	31
Change in cash and cash equivalents	11,356	30	11,386
Cash and cash equivalents:			
Beginning of year	-	59,593	59,593
End of year	$ 11,356	$ 59,623	$ 70,979
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	$ (45)	$ -	$ (45)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Change in assets and liabilities:			
Increase in customer deposits payable	11,400	-	11,400
Net cash provided by operating activities	$ 11,355	$ -	$ 11,355
Noncash investing, capital, and financing activities:			
Donated assets	$ 16,876	$ -	$ 16,876
Capital assets contributed from other funds	161,972	-	161,972
Net noncash investing, capital, and financing activities	$ 178,848	$ -	$ 178,848

The accompanying notes are an integral part of these financial statements.

LIBERTY COUNTY, GEORGIA
AGENCY FUNDS

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

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

Child Support Receiver Fund – This fund is used to account for payments collected for Child Support that are paid due to the state.

The following agency funds are used to account for fines, fees and other moneys collected by the courts and remitted to other parties in accordance with court orders and state law:

Clerk of Court
Probate Court

LIBERTY COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2012

ASSETS	Clerk of Court	Probate Court	Tax Commissioner	Jail Inmate	Child Support Receiver	Totals
Cash	$ 555,106	$ 96,964	$ 194,795	$ 15,127	$ 4	$ 861,996
Investments	-	372,565	-	-	-	372,565
Taxes receivable	-	-	3,430,542	-	-	3,430,542
Other receivables	-	-	20,907	-	-	20,907
Total assets	$ 555,106	$ 469,529	$ 3,646,244	$ 15,127	$ 4	$ 4,686,010
LIABILITIES						
Due to others	$ 555,106	$ 469,529	$ 215,702	$ 15,127	$ 4	$ 1,255,468
Uncollected taxes	-	-	3,430,542	-	-	3,430,542
Total liabilities	$ 555,106	$ 469,529	$ 3,646,244	$ 15,127	$ 4	$ 4,686,010

LIBERTY COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
CLERK OF COURT				
ASSETS				
Cash	$ 545,305	$ 4,724,744	$ 4,714,943	$ 555,106
Total assets	$ 545,305	$ 4,724,744	$ 4,714,943	$ 555,106
LIABILITIES				
Due to others	$ 545,305	$ 4,724,744	$ 4,714,943	$ 555,106
Total liabilities	$ 545,305	$ 4,724,744	$ 4,714,943	$ 555,106
PROBATE COURT				
ASSETS				
Cash	$ 160,990	$ 357,836	$ 421,862	$ 96,964
Investments	447,142	9,887	84,464	372,565
Total assets	$ 608,132	$ 367,723	$ 506,326	$ 469,529
LIABILITIES				
Due to others	$ 608,132	$ 367,723	$ 506,326	$ 469,529
Total liabilities	$ 608,132	$ 367,723	$ 506,326	$ 469,529
TAX COMMISSIONER				
ASSETS				
Cash	$ 201,251	$ 48,192,748	$ 48,199,204	$ 194,795
Taxes receivable	3,711,983	11,199,610	11,481,051	3,430,542
Other receivables	24,641	75,684	79,418	20,907
Total assets	$ 3,937,875	$ 59,468,042	$ 59,759,673	$ 3,646,244
LIABILITIES				
Due to others	$ 225,892	$ 48,268,432	$ 48,278,622	$ 215,702
Uncollected taxes	3,711,983	11,199,610	11,481,051	3,430,542
Total liabilities	$ 3,937,875	$ 59,468,042	$ 59,759,673	$ 3,646,244

(Continued)

LIBERTY COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
JAIL INMATE				
ASSETS				
Cash	$ 14,227	$ 195,995	$ 195,095	$ 15,127
Total assets	$ 14,227	$ 195,995	$ 195,095	$ 15,127
LIABILITIES				
Due to others	$ 14,227	$ 195,995	$ 195,095	$ 15,127
Total liabilities	$ 14,227	$ 195,995	$ 195,095	$ 15,127
CHILD SUPPORT RECEIVER				
ASSETS				
Cash	$ 6,958	$ 239,422	$ 246,376	$ 4
Total assets	$ 6,958	$ 239,422	$ 246,376	$ 4
LIABILITIES				
Due to others	$ 6,958	$ 239,422	$ 246,376	$ 4
Total liabilities	$ 6,958	$ 239,422	$ 246,376	$ 4
TOTAL AGENCY FUNDS				
ASSETS				
Cash	$ 928,731	$ 53,710,745	$ 53,777,480	$ 861,996
Investments	447,142	9,887	84,464	372,565
Taxes receivable	3,711,983	11,199,610	11,481,051	3,430,542
Other receivables	24,641	75,684	79,418	20,907
Total assets	$ 5,112,497	$ 64,995,926	$ 65,422,413	$ 4,686,010
LIABILITIES				
Due to others	$ 1,400,514	$ 53,796,316	$ 53,941,362	$ 1,255,468
Uncollected taxes	3,711,983	11,199,610	11,481,051	3,430,542
Total liabilities	$ 5,112,497	$ 64,995,926	$ 65,422,413	$ 4,686,010

STATISTICAL SECTION

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

Contents **Page**

Financial Trends ..... **90 - 99**

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

Revenue Capacity ..... **100 - 105**

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

Debt Capacity ..... **106 - 110**

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

Demographic and Economic Information ..... **111 and 112**

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

Operating Information ..... **113 - 115**

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

Sources: Unless otherwise noted, the information in these schedules is derived from the County's financial reports for the relevant year. The County implemented GASB 34 in 2003; schedules presenting government-wide information (unless otherwise indicated) include information beginning in that year.

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

LIBERTY COUNTY, GEORGIA

NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007
Governmental Activities					
Invested in capital assets, net of related debt	$ 20,976,706	$ 26,991,491	$ 26,180,482	$ 41,840,464	$ 77,128,581
Restricted	12,232,690	11,918,805	14,192,318	13,554,363	15,651,152
Unrestricted	9,582,917	11,195,129	13,690,269	15,263,160	16,795,945
Total Governmental Activities Net Assets	$ 42,792,313	$ 50,105,425	$ 54,063,069	$ 70,657,987	$ 109,575,678
Business-Type Activities					
Invested in capital assets, net of related debt	$ (168,506)	$ (280,132)	$ (47,949)	$ 514,728	$ 827,068
Restricted	-	215,434	215,591	-	-
Unrestricted	(4,109,954)	(4,201,699)	(4,324,756)	(4,792,630)	(4,798,088)
Total Business-Type Activities Net Assets	$ (4,278,460)	$ (4,266,397)	$ (4,157,114)	$ (4,277,902)	$ (3,971,020)
Primary Government					
Invested in capital assets, net of related debt	$ 20,808,200	$ 26,711,359	$ 26,132,533	$ 42,355,192	$ 77,955,649
Restricted	12,232,690	12,134,239	14,407,909	13,554,363	15,651,152
Unrestricted	5,472,963	6,993,430	9,365,513	10,470,530	11,997,857
Total Primary Government Net Assets	$ 38,513,853	$ 45,839,028	$ 49,905,955	$ 66,380,085	$ 105,604,658

NOTES:

Accrual-basis financial information for the County government as a whole is available back to June 30, 2003, the year GASB Statement 34 was implemented.

Amounts presented for fiscal years 2003 - 2006 have been not been adjusted for the effects of prior period adjustments recorded in fiscal year 2007.

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

2008	2009	2010	2011	2012
$ 79,474,988	$ 83,475,829	$ 88,704,661	$ 84,246,053	$ 87,093,080
18,912,430	16,884,412	13,461,067	25,646,045	18,454,081
15,545,791	13,225,589	12,763,174	5,932,517	11,883,706
$ 113,933,209	$ 113,585,830	$ 114,928,902	$ 115,824,615	$ 117,430,867
$ 1,841,736	$ 1,625,913	$ 1,737,174	$ 1,543,797	$ 1,612,794
-	-	-	-	-
(5,451,768)	(5,195,951)	(5,319,611)	(4,846,461)	(4,580,052)
$ (3,610,032)	$ (3,570,038)	$ (3,582,437)	$ (3,302,664)	$ (2,967,258)
$ 81,316,724	$ 85,101,742	$ 90,441,835	$ 85,789,850	$ 88,705,874
18,912,430	16,884,412	13,461,067	25,646,045	18,454,081
10,094,023	8,029,638	7,443,563	1,086,056	7,303,654
$ 110,323,177	$ 110,015,792	$ 111,346,465	$ 112,521,951	$ 114,463,609

LIBERTY COUNTY, GEORGIA

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007
EXPENSES					
Governmental Activities					
General government	$ 3,845,876	$ 4,092,881	$ 4,482,707	$ 4,347,521	$ 5,338,048
Judicial	2,707,677	2,900,938	3,483,490	3,309,068	5,020,035
Public safety	8,449,865	8,528,204	9,235,443	10,998,568	10,104,143
Public works	2,914,470	2,056,597	4,109,128	2,836,217	4,564,405
Health and welfare	1,156,073	926,878	978,236	817,167	770,607
Culture and recreation	1,680,343	1,652,674	1,721,969	1,588,230	1,787,767
Economic development	464,470	374,213	932,689	839,706	921,105
Interest on long-term debt	143,645	93,800	392,795	169,940	165,210
Total Governmental Activities	21,362,419	20,626,185	25,336,457	24,906,417	28,671,320
Business-Type Activities					
Solid waste	2,500,402	2,290,012	2,266,382	2,373,476	2,625,023
Water system	-	-	-	-	-
Other services - revolving loan	24	-	-	-	-
Total Business-Type Activities	2,500,426	2,290,012	2,266,382	2,373,476	2,625,023
Total Primary Government	$ 23,862,845	$ 22,916,197	$ 27,602,839	$ 27,279,893	$ 31,296,343
PROGRAM REVENUES					
Governmental Activities					
Charges for services					
General government	$ 396,588	$ 729,444	$ 904,756	$ 1,440,583	$ 2,096,176
Judicial	50,131	61,967	57,277	266,798	28,500
Public safety	2,768,071	2,887,388	2,916,911	3,080,621	4,474,129
Public works	5,312	4,040	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	196,073	213,066	226,705	248,994	252,111
Intergovernmental programs	32,319	38,015	31,585	51,069	-
Operating grants and contributions	2,872,157	2,907,584	4,170,691	2,973,020	2,197,698
Capital grants and contributions	611,062	1,180,720	562,463	8,840,124	3,638,750
Total Governmental Activities	6,931,713	8,022,224	8,870,388	16,901,209	12,687,364
Business-Type Activities					
Charges for services	1,708,925	1,389,372	1,870,998	2,135,288	2,200,942
Operating grants and contributions	47,398	-	-	-	41,542
Capital grants and contributions	-	-	-	-	-
Total Business-Type Activities	1,756,323	1,389,372	1,870,998	2,135,288	2,242,484
Total Primary Government	$ 8,688,036	$ 9,411,596	$ 10,741,386	$ 19,036,497	$ 14,929,848
NET PROGRAM (EXPENSE)/REVENUE					
Governmental Activities	$ (14,430,706)	$ (12,603,961)	$ (16,466,069)	$ (8,005,208)	$ (15,983,956)
Business-Type Activities	(744,103)	(900,640)	(395,384)	(238,188)	(382,539)
Total Primary Government Net Expense	$ (15,174,809)	$ (13,504,601)	$ (16,861,453)	$ (8,243,396)	$ (16,366,495)

(Continued)

2008	2009	2010	2011	2012
$ 5,768,288	$ 8,041,276	$ 8,347,853	$ 8,947,905	$ 8,095,198
5,328,755	5,825,756	5,772,664	5,989,511	6,284,728
11,277,490	12,201,599	11,895,580	12,978,450	12,558,519
4,574,023	7,587,696	6,123,717	4,312,763	7,439,770
765,016	744,575	770,039	1,285,612	917,052
505,648	2,352,136	2,100,438	2,194,226	2,293,664
3,557,970	1,817,092	2,368,117	2,415,009	1,653,443
153,339	335,821	1,156,147	1,157,779	1,173,220
31,930,529	38,905,951	38,534,555	39,281,255	40,415,594
2,454,542	2,596,118	2,517,015	2,491,091	2,626,844
-	-	-	-	45
-	-	-	-	-
2,454,542	2,596,118	2,517,015	2,491,091	2,626,889
$ 34,385,071	$ 41,502,069	$ 41,051,570	$ 41,772,346	$ 43,042,483
$ 1,544,903	$ 1,712,778	$ 2,036,854	$ 1,914,424	$ 1,745,743
13,387	7,075	92,815	90,211	87,275
5,083,730	5,522,021	5,274,043	4,882,066	5,102,762
-	-	-	-	-
-	-	-	-	70,023
314,525	406,677	330,607	353,905	328,377
-	-	-	-	-
2,328,958	2,346,027	3,202,434	3,360,004	6,107,686
560,441	654,664	956,560	2,043,978	1,205,209
9,845,944	10,649,242	11,893,313	12,644,588	14,647,075
2,398,714	2,324,729	2,486,923	2,747,007	2,774,589
1,000	60,443	28,237	23,483	7,646
-	-	-	-	16,876
2,399,714	2,385,172	2,515,160	2,770,490	2,799,111
$ 12,245,658	$ 13,034,414	$ 14,408,473	$ 15,415,078	$ 17,446,186
$ (22,084,585)	$ (28,256,709)	$ (26,641,242)	$ (26,636,667)	$ (25,768,519)
(54,828)	(210,946)	(1,855)	279,399	172,222
$ (22,139,413)	$ (28,467,655)	$ (26,643,097)	$ (26,357,268)	$ (25,596,297)

LIBERTY COUNTY, GEORGIA

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS					
Governmental Activities					
Property taxes	$ 7,617,560	$ 10,566,537	$ 10,258,490	$ 11,758,720	$ 12,133,006
Sales taxes	7,162,980	8,780,406	8,987,413	10,150,985	10,886,320
Other taxes	1,008,469	143,142	643,961	706,608	1,356,128
Grants and contributions	272,513	-	1,130,608	637,516	-
Investment earnings	126,199	273,947	536,970	702,278	996,624
Miscellaneous	203,793	153,041	211,771	244,019	-
Gain on sale of capital assets	-	-	(1,345,500)	-	-
Transfers	-	-	-	400,000	-
Total Governmental Activities	16,391,514	19,917,073	20,423,713	24,600,126	25,372,078
Business-Type Activities					
Business taxes	-	911,949	500,000	500,000	500,000
Investment earnings	362	754	4,667	17,400	52,481
Gain on sale of capital assets	-	-	-	-	-
Transfers	-	-	-	(400,000)	-
Total Business-Type Activities	362	912,703	504,667	117,400	552,481
Total Primary Government	$ 16,391,876	$ 20,829,776	$ 20,928,380	$ 24,717,526	$ 25,924,559
CHANGE IN NET ASSETS					
Governmental Activities	$ 1,960,808	$ 7,313,112	$ 3,957,644	$ 16,594,918	$ 9,388,122
Business-Type Activities	(743,741)	12,063	109,283	(120,788)	169,942
Total Primary Government	$ 1,217,067	$ 7,325,175	$ 4,066,927	$ 16,474,130	$ 9,558,064

NOTES:

Accrual-basis financial information for the County government as a whole is available back to June 30, 2003, the year GASB Statement 34 was implemented.

Amounts presented for fiscal years 2003 - 2007 have been restated for the effects of prior period adjustments recorded in fiscal year 2006.

Certain revenues and expenditures presented for fiscal years 2002 - 2004 have been restated by function, in order to present the information consistent with current functional classifications.

In fiscal year 2004, 100% of the Insurance Premium Tax was recorded in the Solid Waste Fund.

In fiscal year 2004, the late submission of the 2003 tax digest delayed the receipt of the Homeowner's Tax Relief Grant.

In fiscal year 2005, the loss was related to the hospital building that was demolished by the County.

2008	2009	2010	2011	2012
$ 13,021,556	$ 14,148,805	$ 14,179,782	$ 13,928,706	$ 13,802,287
11,218,653	11,520,469	11,845,896	11,738,477	12,072,731
1,402,905	1,694,945	1,714,723	1,847,311	1,595,644
-	-	-	-	-
799,002	385,222	57,480	17,886	34,099
-				
-	-	24,298	-	33,058
-	159,889	162,135	-	(163,048)
26,442,116	27,909,330	27,984,314	27,532,380	27,374,771
400,000	400,000	150,000	-	-
15,816	9,674	1,591	374	136
-	1,155	-	-	-
-	(159,889)	(162,135)	-	163,048
415,816	250,940	(10,544)	374	163,184
$ 26,857,932	$ 28,160,270	$ 27,973,770	$ 27,532,754	$ 27,537,955
$ 4,357,531	$ (347,379)	$ 1,343,072	$ 895,713	$ 1,606,252
360,988	39,994	(12,399)	279,773	335,406
$ 4,718,519	$ (307,385)	$ 1,330,673	$ 1,175,486	$ 1,941,658

LIBERTY COUNTY, GEORGIA

FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007
General Fund					
Reserved	$ 161,657	$ 63,863	$ 205,137	$ 279,114	$ 3,680,003
Unreserved	9,719,139	10,176,981	12,930,212	14,745,648	11,979,441
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	9,880,796	10,240,844	13,135,349	15,024,762	15,659,444
All Other Governmental Funds					
Reserved	104,472	158,320	210,491	309,293	-
Unreserved, reported in					
Special revenue funds	588,504	264,224	217,256	271,198	1,295,581
Capital projects funds	11,378,057	11,432,398	13,559,434	13,181,037	15,651,152
Nonspendable, reported in:					
Special revenue funds	-	-	-	-	-
Restricted, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Committed, reported in:					
Special revenue funds	-	-	-	-	-
Assigned, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Unassigned, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total all other governmental funds	12,071,033	11,854,942	13,987,181	13,761,528	16,946,733
Total all governmental funds	$ 21,951,829	$ 22,095,786	$ 27,122,530	$ 28,786,290	$ 32,606,177

NOTES:
Amounts presented for fiscal years 2003 - 2007 have been restated for the effects of prior period adjustments recorded in fiscal year 2006.

Due to other changes in the County's fund structure connected with the implementation of GASB Statement 34, comparative fund balance information is not available prior to 2003.

Note: GASB 54 was implemented during fiscal year 2011.

2008	2009	2010	2011	2012
$ 4,472,339	$ 4,513,727	$ 4,531,285	$ -	$ -
9,681,077	9,528,137	9,426,345	-	-
-	-	-	4,338,274	4,358,825
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	9,346,364	12,637,077
14,153,416	14,041,864	13,957,630	13,684,638	16,995,902
-	-	-	-	-
1,532,007	1,584,572	1,631,618	-	-
18,912,430	38,633,995	28,480,582	-	-
-	-	-	9,147	-
-	-	-	5,935,991	1,409,294
-	-	-	19,710,054	17,044,787
-	-	-	19,136	17,969
-	-	-	196,329	181,033
-	-	-	500,001	467,818
-	-	-	(242,149)	(345,209)
-	-	-	(281,242)	(262,550)
20,444,437	40,218,567	30,112,200	25,847,267	18,513,142
$ 34,597,853	$ 54,260,431	$ 44,069,830	$ 39,531,905	$ 35,509,044

LIBERTY COUNTY, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007
REVENUES					
Taxes	$ 16,063,151	$ 18,759,484	$ 21,195,907	$ 22,583,212	$ 24,486,610
Licenses and permits	122,774	219,935	335,206	296,667	217,650
Intergovernmental	3,403,810	4,088,304	4,733,154	12,450,660	4,082,602
Charges for services	1,716,727	2,104,708	2,312,353	3,008,620	3,640,381
Fines	1,830,638	1,955,724	1,940,892	1,771,851	2,306,261
Investment earnings	126,199	273,947	536,970	702,278	996,624
Miscellaneous	315,330	153,040	211,771	232,536	2,440,470
Total Revenues	23,578,629	27,555,142	31,266,253	41,045,824	38,170,598
EXPENDITURES					
General government	3,692,827	3,955,787	4,055,276	4,501,798	5,337,381
Judicial	2,664,103	2,863,197	3,315,280	3,346,181	5,091,873
Public safety	8,010,265	8,506,868	9,089,373	9,834,654	9,481,481
Public works	2,279,177	1,524,320	1,514,225	1,615,917	1,651,620
Health and welfare	1,116,000	892,599	940,080	812,109	747,527
Culture and recreation	1,501,024	1,440,706	1,253,857	1,367,736	1,505,427
Economic development	457,195	524,368	940,398	704,091	913,903
Intergovernmental payments	-	-	-	-	-
Capital outlay	2,719,681	7,444,841	9,223,862	16,519,838	11,265,908
Debt service:					
Principal	518,577	400,376	1,379,206	1,288,422	1,442,542
Interest and fees	147,785	124,758	409,183	186,328	161,878
Total Expenditures	23,106,634	27,677,820	32,120,740	40,177,074	37,599,540
Excess (deficiency of revenues over (under) expenditures	471,995	(122,678)	(854,487)	868,750	571,058
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	112,812	205,072	-	22,410	-
Inception of capital lease	175,741	61,563	104,298	357,100	-
Transfers in	1,321,031	1,443,361	1,492,339	2,168,118	2,456,567
Transfers out	(1,321,031)	(1,443,361)	(1,492,339)	(1,768,118)	(2,456,567)
Issuance of notes payable	-	-	-	15,500	2,878,972
Settlement proceeds	-	-	-	-	-
Issuance of bonds	-	-	7,191,933	-	-
Early retirement of long-term debt	-	-	(1,415,000)	-	-
Total Other Financing Sources (Uses)	288,553	266,635	5,881,231	795,010	2,878,972
Net Change in Fund Balances	$ 760,548	$ 143,957	$ 5,026,744	$ 1,663,760	$ 3,450,030
Debt Service as a Percentage of Noncapital Expenditures	3.4%	2.7%	8.5%	6.6%	5.9%

NOTES:
Amounts presented for fiscal years 2003 - 2005 have been restated for the effects of prior period adjustments recorded in fiscal year 2006.

Due to other changes in the County's fund structure connected with the implementation of GASB Statement 34, comparative fund balance information is not available prior to 2003.

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

2008	2009	2010	2011	2012
$ 25,569,182	$ 26,909,525	$ 27,414,213	$ 27,805,097	$ 27,690,197
222,260	151,781	103,555	178,309	120,297
2,423,194	2,498,558	3,736,209	5,257,824	7,260,881
3,850,930	4,404,214	4,554,839	4,204,153	4,248,088
2,349,918	2,523,056	2,458,190	2,281,178	2,307,792
799,002	385,222	456,488	140,327	55,862
999,642	597,321	641,512	600,683	679,754
36,214,128	37,469,677	39,365,006	40,467,571	42,362,871
5,413,662	5,704,132	5,273,355	5,729,380	5,738,274
5,290,308	5,642,955	5,735,116	5,944,242	6,234,481
10,977,630	11,849,767	10,809,864	11,359,082	10,798,915
2,791,306	2,132,151	1,720,956	1,792,249	1,811,849
756,820	705,568	730,033	1,244,055	5,005,870
1,920,019	1,809,735	1,784,400	1,889,283	1,849,490
2,772,346	1,269,475	1,713,037	1,811,123	1,062,399
-	-	-	-	2,349,058
9,335,509	9,213,671	18,618,016	16,488,150	9,175,769
1,533,078	7,844,916	2,874,510	2,395,457	1,289,574
131,574	1,280,680	1,137,973	1,128,445	1,103,111
40,922,252	47,453,050	50,397,260	49,781,466	46,418,790
(4,708,124)	(9,983,373)	(11,032,254)	(9,313,895)	(4,055,919)
14,120	35,189	-	-	33,058
535,559	378,172	-	-	-
2,247,478	2,211,980	1,972,011	2,460,892	2,690,766
(2,247,478)	(2,052,091)	(1,809,866)	(2,460,892)	(2,690,766)
3,744,784	2,855,466	1,086,228	-	-
2,405,337	-	25,525	3,931	-
-	25,785,000	-	4,772,039	-
-	-	-	-	-
6,699,800	29,213,716	1,273,898	4,775,970	33,058
$ 1,991,676	$ 19,230,343	$ (9,758,356)	$ (4,537,925)	$ (4,022,861)
5.1%	21.5%	8.9%	7.9%	6.7%

LIBERTY COUNTY, GEORGIA

ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
(In Thousands)
LAST TEN FISCAL YEARS

Tax Digest Year	Real Property			Motor Vehicle	Motor Homes	Other Personal Property [a]	Less: Exempt Real Property
	Residential	Utility Industrial and Commercial	Agricultural				
2003	$ 361,600	$ 124,275	$ 27,117	$ 69,274	$ 19,513	$ 102,325	$ 59,235
2004	458,250	148,805	44,242	71,238	21,145	105,525	65,628
2005	488,563	156,233	37,352	71,261	18,576	110,954	73,763
2006	533,756	158,726	37,336	71,515	18,505	135,566	82,189
2007	609,038	285,253	35,473	71,790	14,968	13,129	98,798
2008	716,353	267,759	51,848	86,750	15,348	157,069	87,096
2009	798,319	316,708	51,694	91,944	15,314	165,519	135,859
2010	800,341	376,430	61,155	84,359	13,632	185,194	198,231
2011	762,729	483,986	54,034	93,513	11,562	194,688	255,123
2012	763,719	417,598	36,870	94,477	9,885	39,549	183,675

SOURCE:
Georgia Department of Revenue Property Tax Division Consolidation Summary

NOTES:
The County assesses property at 40 percent of actual value. Actual taxable value is calculated by dividing assessed value by 40 percent.
Tax rates are per $1,000 of assessed value.

[a] Includes timber at 100%

Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
$ 644,869	$ 1,612,173	40.00 %	14.615
783,577	1,958,943	40.00	13.279
809,176	2,022,940	40.00	13.230
873,215	2,183,038	40.00	12.684
930,853	2,327,133	40.00	12.684
1,208,031	3,020,078	40.00	11.980
1,303,639	3,259,098	40.00	11.980
1,322,880	3,307,200	40.00	11.980
1,345,389	3,363,473	40.00	11.980
1,178,423	2,946,058	40.00	12.580

LIBERTY COUNTY, GEORGIA

PROPERTY TAX RATES
LAST TEN TAX DIGEST YEARS

Tax Digest Year	Liberty County General Fund (Maintenance and Operations)	Overlapping [(a)]					Total Millage Rate
		Board of Education	City of Hinesville	Hospital Authority	Industrial Authority	State of Georgia	
2002	11.193	17.492	11.300	1.965	1.965	0.250	44.165
2003	14.615	16.000	11.300	2.000	2.000	0.250	46.165
2004	13.279	16.000	11.300	2.000	2.000	0.250	44.829
2005	13.230	16.000	11.300	2.000	2.000	0.250	44.780
2006	12.684	16.000	10.900	1.917	2.000	0.250	43.751
2007	12.684	15.600	9.500	3.000	2.000	0.250	43.034
2008	11.980	15.600	9.500	3.100	2.000	0.250	42.430
2009	11.980	15.600	9.500	3.100	2.000	0.250	42.430
2010	11.980	15.500	9.500	3.100	2.000	0.250	42.330
2011	11.980	15.500	9.500	3.250	2.000	0.250	42.480

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

Source: Office of the Liberty County Tax Commissioner

LIBERTY COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2011			2002		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Chemtall, Inc	$ 46,073,326	1	3.91 %	$ 18,087,817	1	2.57 %
Hugo Boss Distribution Center	23,998,705	2	2.04	-		-
Georgia Power Company	16,551,731	3	1.40	9,271,935	5	1.32
Interstate Paper LLC	9,463,627	4	0.80	-		-
Coastal EMC	9,330,058	5	0.79	10,686,950	3	1.52
Canoochee	7,222,197	6	0.61	6,005,783	8	0.85
Liberty Independence Associates	6,615,336	7	0.56	-		-
Magnolia Enterprises	5,623,132	8	0.48	-		-
Independence Place Fort Stewart	5,580,240	9	0.47	-		-
ICG SA c/o Chemtall	5,145,290	10	0.44	-		-
Coastal Utilities	-		-	13,809,237	2	1.96
NCF Manufacturing, Inc.	-		-	9,772,817	4	1.39
HYSIL Manufacturing, Inc.	-		-	6,502,174	6	0.92
BIO Flocryl	-		-	6,443,347	7	0.92
Muskin Leisure Products, Inc.	-		-	5,664,617	9	0.80
Sustainable Forests LLC (IP)	-		-	4,489,108	10	0.64
Total	$ 135,603,642		11.51 %	$ 90,733,785		12.89 %

Source: Office of the Liberty County Tax Commissioner
Note: The above is based on the tax digest year.

LIBERTY COUNTY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST NINE FISCAL YEARS

Tax Digest Year	Taxes Levied (Original Levy)	Errors Releases and Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
				Amount	Percentage of Adjusted Levy	
2003 [a]	$ 8,715,705	$ 486,747	$ 9,202,452	$ 8,170,157	88.78 %	$ 1,013,355
2004	8,917,773	(119,135)	8,798,638	8,264,746	93.93	518,681
2005	9,627,107	(160,212)	9,466,895	8,805,592	93.01	642,188
2006	9,997,045	(176,002)	9,821,043	9,217,728	93.86	583,282
2007	11,306,496	(485,178)	10,821,318	9,972,123	92.15	787,132
2008	11,544,563	(125,624)	11,418,939	10,573,398	92.60	717,115
2009	12,295,875	(42,072)	12,253,802	11,076,008	90.39	974,731
2010	12,311,840	(296,295)	12,015,545	11,124,026	92.58	534,701
2011	12,297,835	(34,877)	12,262,958	11,371,974	92.73	-

[a] The County conducted a re-evaluation in tax year 2003. The re-evaluation was not completed in time to send out the 2003 tax bills using the re-evaluated values. The County billed taxpayers based on the 2002 property values and when the re-evaluation was complete property values were adjusted to reflect the re-evaluated value.

NOTES:

Information has been presented beginning with the year of implementation of GASB Statement 34, June 30, 2003.

Source: Office of the Liberty County Tax Commissioner

Total Collections to Date	
Amount	Percentage of Adjusted Levy
9,183,512	99.79 %
8,783,427	99.83
9,447,780	99.80
9,801,010	99.80
10,759,255	99.43
11,290,513	98.88
12,050,739	98.34
11,658,727	97.03
11,371,974	92.73

LIBERTY COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-Type Activities	
	General Obligation Sales Tax Bonds	Contractual Obligations	Capital Leases	Notes Payable	Revenue Bonds	Capital Leases
2003	$ -	$ 1,645,000	$ 681,857	$ -	$ 1,210,000	$ 144,071
2004	-	1,535,000	453,044	-	1,275,000	65,445
2005	4,405,545	1,760,000	308,136	-	943,829	10,419
2006	3,350,000	1,640,000	486,814	15,500	642,535	-
2007	2,285,000	1,455,000	301,888	2,886,856	335,000	-
2008	1,130,000	1,265,000	656,104	6,624,905	-	-
2009	-	26,855,000	814,211	2,706,208	-	-
2010	-	25,950,000	606,758	1,311,169	-	-
2011	-	29,665,020	427,469	719,211	-	84,814
2012	-	28,702,681	345,318	487,081	-	74,353

NOTES:

Financial information presented as Governmental Activities and Business-Type Activities for the County government as a whole is available back to June 30, 2003, the year GASB Statement 34 was implemented.

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

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

** Information not yet available from BEA.

Total Primary Government	Percentage of Personal Income	Per Capita
$ 3,680,928	0.27 %	$ 62
3,328,489	0.22	55
7,427,929	0.45	129
6,134,849	0.34	104
7,263,744	0.50	116
9,676,009	0.63	160
30,375,419	1.81	519
27,867,927	1.63	448
30,896,514	1.69	487
29,609,433	N/A **	452

LIBERTY COUNTY, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Sales Tax Bonds	Contractual Obligations	Total	Percentage of Actual Taxable Value of Property	Per Capita
2003	$ -	$ 1,645,000	$ 1,645,000	0.26 %	$ 28
2004	-	1,535,000	1,535,000	0.20	25
2005	4,405,545	1,760,000	6,165,545	0.76	107
2006	3,350,000	1,640,000	4,990,000	0.57	85
2007	2,285,000	1,455,000	3,740,000	0.40	60
2008	1,130,000	1,265,000	2,395,000	0.20	40
2009	-	26,855,000	26,855,000	2.06	459
2010	-	25,950,000	25,950,000	1.96	417
2011	-	29,665,020	29,665,020	2.20	468
2012	-	28,702,681	28,702,681	2.44	439

NOTES:

Information has been presented beginning with the year of implementation of GASB Statement 34, June 30, 2003.

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

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

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

LIBERTY COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year				
	2003	2004	2005	2006	2007
LEGAL DEBT MARGIN					
Debt limit	$ 70,410	$ 84,921	$ 88,294	$ 95,540	$ 102,965
Total net debt applicable	1,645	1,535	1,760	1,640	1,455
Legal debt margin	$ 68,765	$ 83,386	$ 86,534	$ 93,900	$ 101,510
Total net debt applicable to the limit as a percentage of debt limit	2.34%	1.81%	1.99%	1.72%	1.41%
LEGAL DEBT MARGIN CALCULATION					
Assessed value	$ 644,869	$ 783,577	$ 809,176	$ 873,215	$ 930,853
Add back: exempt property	59,235	65,628	73,763	82,189	98,798
Total assessed value	704,104	849,205	882,939	955,404	1,029,651
Debt limit (10% of total assessed value)	70,410	84,921	88,294	95,540	102,965
Debt applicable to limit					
Contractual obligations debt	1,645	1,535	1,760	1,640	1,455
Total net debt applicable to limit	1,645	1,535	1,760	1,640	1,455
Legal debt margin	$ 68,765	$ 83,386	$ 86,534	$ 93,900	$ 101,510

NOTES:

Information has been presented beginning with the year of implementation of GASB Statement 34, June 30, 2003.

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

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

2008	2009	2010	2011	2012
$ 129,513	$ 143,950	$ 152,111	$ 160,051	$ 136,210
1,265	26,855	25,950	29,665	28,703
$ 128,248	$ 117,095	$ 126,161	$ 130,386	$ 107,507
0.98%	18.66%	17.06%	18.53%	21.07%
$ 1,208,031	$ 1,303,639	$ 1,322,880	$ 1,345,389	$ 1,178,423
87,096	135,859	198,231	255,123	183,675
1,295,127	1,439,498	1,521,111	1,600,512	1,362,098
129,513	143,950	152,111	160,051	136,210
1,265	26,855	25,950	29,665	28,703
1,265	26,855	25,950	29,665	28,703
$ 128,248	$ 117,095	$ 126,161	$ 130,386	$ 107,507

LIBERTY COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population [a]	Personal Income [b] (millions)	Per Capita Personal Income	Median Age [a]	Unemployment Rate [c]	School Enrollment [d]	
						Private	Public
2002	60,787	1,278	21,024	25.0	4.00 %	354	11,276
2003	59,698	1,380	23,116	25.0	4.90	356	10,923
2004	60,493	1,493	24,681	25.0	6.30	308	11,122
2005	57,544	1,638	28,465	25.0	5.40	430	11,500
2006	58,925	1,818	30,853	25.0	7.00	546	11,052
2007	62,571	1,464	24,216	25.0	6.50	513	10,853
2008	60,503	1,531	25,342	25.0	6.60	410	11,051
2009	58,491	1,680	27,020	27.4	8.50	460	10,356
2010	62,186	1,711	27,263	27.4	8.50	506	10,537
2011	63,453	1,829	27,940	27.4	9.20	400	10,511
2012	65,451	**	**	27.4	9.60	398	10,179

SOURCES:

[a] U.S. Bureau of the Census

[b] Bureau of Economic Analysis (BEA): Regional Economic Accounts

[c] Georgia Department of Labor

[d] Liberty County Board of Education

** Information not yet available from BEA.

LIBERTY COUNTY, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2012			2002		
Employer (1)	Number of Employees [a]	Rank	Percentage of Total County Employment [b]	Number of Employees [a]	Rank	Percentage of Total County Employment [b]
Fort Stewart Civilian Employees	3,575	1	15.06 %	2,298	1	15.97 %
Liberty County Board of Education	1,825	2	7.69	1,675	2	11.64
SNF, Inc.	1,275	3	5.37	-		-
Liberty Regional Medical Center	550	4	2.32	340	5	2.36
Wal-Mart Super Center	495	5	2.09	575	3	4.00
Target Regional Distribution Center	475	6	2.00	-		-
Liberty County Board of Commissioners	348	7	1.47	280	8	1.95
Interstate Paper Corporation	232	8	0.98	286	7	1.99
The City of Hinesville	205	9	0.86	-		-
Hugo Boss	211	10	0.89	-		-
Chemtall, Inc.	-		-	560	4	3.89
West Tele Services	-		-	337	6	2.34
International Greetings Corporation	-		-	270	9	1.88
Coastal Utilities	-		-	184	10	1.28
Totals	9,191		38.73	6,805		47.29

SOURCES:

[a] Middle Georgia Regional Development Center.

[b] Georgia Department of Labor.

LIBERTY COUNTY, GEORGIA

FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Governing Body	7	7	7	7	7	7	7	7	7	7
County Administrator	5	5	6	6	6	6	5	5	5	5
Elections	4	4	4	4	5	5	5	4	4	5
Financial Administration	5	5	5	5	5	6	6	6	6	6
Data Processing	3	2	3	3	3	4	4	4	4	4
Tax Commissioner	12	12	14	14	14	14	14	13	13	14
Tax Assessor	14	12	15	15	15	18	18	18	18	19
Government Buildings	10	10	12	12	12	12	12	11	11	14
Records Service Center	2	2	3	3	3	3	3	3	3	3
Financial Administration - SPLOST	2	2	2	1	1	1	1	1	1	1
Judicial										
Clerk of Superior Court	15	16	17	17	17	17	17	17	17	18
District Attorneys Office	8	7	9	9	12	9	9	9	9	10
State Court	2	2	2	2	2	2	2	2	2	3
State Court Judge	1	1	1	1	1	1	2	2	2	2
Magistrate Court	4	5	5	5	6	6	7	7	7	9
Probate Court	5	5	5	5	5	5	5	5	6	6
Victim Assistance - State Court	1	1	1	1	1	1	1	1	1	1
Victim Assistance - District Attorney	2	3	3	3	4	4	4	3	3	3
Child Support Recovery Unit	37	34	34	34	30	29	29	29	29	28
Public Safety										
Sheriff	31	30	33	33	37	36	37	38	39	52
Vice Control	10	10	10	10	11	11	11	11	11	10
Jail	35	38	55	56	60	61	61	62	62	61
Traffic Control	4	4	4	4	5	5	5	6	6	6
School Resource Officer	1	1	1	1	1	1	2	1	1	1
DARE	1	-	1	1	1	1	1	-	-	-
Walthourville Law Enforcement	4	4	4	4	4	4	-	-	-	-
Flemington Law Enforcement	1	1	1	1	1	1	1	1	1	1
Coroner	2	2	2	2	2	2	2	2	2	2
Animal Control	4	4	6	8	5	5	5	5	5	6
Emergency Management Agency	2	2	3	3	2	3	3	3	3	3
E911	21	27	33	33	26	29	29	25	25	28
MACE	5	6	6	6	6	6	6	5	5	5
Public Works										
Roads and Walkways	24	24	24	23	21	21	22	19	19	18
Drainage Team	4	5	5	5	4	5	5	5	5	5
Culture and Recreation										
Recreation	23	22	21	21	26	26	26	32	32	23
Health and Welfare										
Mosquito Control	5	4	5	5	3	5	5	5	5	2
Summer Food Service	17	16	16	17	17	17	17	17	17	17
Intergovernmental programs										
Agricultural Resources	2	4	2	5	3	5	5	4	4	4
Urban Development and Housing	1	1	5	1	1	1	1	1	1	-
Planning and Zoning	5	5	6	6	6	6	6	6	6	6
Solid Waste										
Solid Waste Collection	6	6	6	6	9	11	11	11	11	10
Solid Waste Disposal	5	6	7	7	5	5	5	5	5	4
Recycling	3	2	2	2	2	2	2	2	2	2
Clean and Beautiful	1	1	1	1	1	1	1	1	1	1
Total	356	360	407	408	408	420	420	414	416	425

NOTES: Information has been presented beginning with the year of implementation of GASB Statement 34, June 30, 2003.

SOURCE: County payroll records

LIBERTY COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Tax bills generated	22,735	23,675	24,251	25,058	25,507	25,507	26,149	26,699	26,883	32,316
Building permits issued	520	601	560	439	627	335	217	375	350	344
Judicial										
Clerk of Courts										
Number of civil cases filed	2,187	2,312	2,121	2,357	2,367	N/A	N/A	N/A	N/A	N/A
Number of criminal cases filed	957	3,851	6,958	6,537	3,419	N/A	N/A	N/A	N/A	N/A
Probate Court										
Marriage licenses	557	1,083	1,034	848	1,224	895	1,359	978	1,115	1,216
Pistol permits	216	337	247	394	327	367	899	585	720	646
Child Support Enforcement Unit										
Average number of active support orders	7,739	7,929	7,563	7,711	6,446	7,785	6,464	6,674	6,500	6,813
Percentage collected	76.2%	76.2%	77.1%	77.5%	66.6%	66.6%	65%	64.9%	64.9%	64.8%
Public safety										
Sheriff										
Number of papers served	9,331	9,424	9,822	8,419	10,185	9,845	8,735	8,760	6,301	6,712
Fire										
Emergency responses	N/A	N/A	1,689	1,569	1,085	1,085	191	3,869	4,167	4,373
Culture and recreation										
Parks										
Number of parks	11	12	12	12	12	13	13	13	13	13
Acreage developed	160	160	160	160	160	165	165	165	165	165
Acreage undeveloped	89	89	89	89	89	89	89	89	89	89
Miles of trails	3	3	3	3	3	4	4	4	4	4
Refuse collection										
Refuse collected (tons per day)	24,436	36,802	40,163	41,407	40,759	40,515	40,515	55,115	51,465	52,643

SOURCES:
Liberty County Department Heads
County departments.

NOTES:
Information has been presented beginning with the year of implementation of GASB Statement 34, June 30, 2003.

N/A - Information not available.

LIBERTY COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Judicial										
Courthouse	1	1	1	1	1	1	1	1	1	2
Public Safety										
Sheriff										
Stations	3	3	3	3	3	3	3	3	3	1
Patrol Units and Vehicles	46	46	46	46	57	56	56	56	56	60
Jail	1	1	1	1	1	1	1	1	1	1
Public Works										
Solid Waste										
Collection trucks	5	5	5	5	5	9	9	9	9	8
Highways and Streets										
Street lights	-	-	2	2	2	2	5	5	5	5
Culture and Recreation (1)										
Number of county parks	11	12	12	12	12	13	13	13	13	13
County parks acreage	249	249	249	249	249	254	254	254	254	254
Baseball / softball fields	12	12	12	12	12	12	12	12	12	12
Football / soccer fields	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	1	1	-	-	-	-	-	-	-	-
Community Centers	1	1	1	2	2	2	2	2	2	2
Skate parks	-	-	-	-	-	-	-	-	-	1

NOTES:
Information has been presented beginning with the year of implementation of GASB Statement 34, June 30, 2003.

SOURCES:
Liberty County Departmental Records

COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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*

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Liberty County, Georgia as of and for the year ended June 30, 2012, which collectively comprise Liberty County, Georgia's basic financial statements, and have issued our report thereon dated March 20, 2013. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Liberty County Department of Public Health and the Liberty County Regional Medical Center, as described in our report on Liberty County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Liberty County Regional Medical Center were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2012-1 to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2012-2 through 2012-6 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Liberty County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2012-6.

We also noted certain matters that we reported to the management of Liberty County, Georgia in a separate letter dated March 20, 2013.

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

This report is intended solely for the information and use of management and the Board of Commissioners of Liberty County, Georgia, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Macon, Georgia
March 20, 2013

Mauldin & Jenkins, LLC

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

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

Compliance

We have audited the compliance of Liberty County, Georgia with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Liberty County, Georgia's major federal programs for the year ended June 30, 2012. Liberty County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Liberty County, Georgia's management. Our responsibility is to express an opinion on Liberty County, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Liberty County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Liberty County, Georgia's compliance with those requirements.

In our opinion, Liberty County, Georgia 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 for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Macon, Georgia
March 20, 2013

LIBERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures
U.S. Department of Agriculture			
(Passed through Georgia Office of School Readiness)			
Summer Food Service Program for Children	10.559	S12-8047	$ 43,669
Summer Food Service Program for Children	10.559	S11-8047	33,633
Total U.S. Department of Agriculture - Child Nutrition Cluster			77,302
U.S. Department of Defense			
(Passed through Office of Economic Adjustment)			
Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a Military Installation	12.607	GR0812-09-01-10-01	127,935
Total U.S. Department of Defense			127,935
U.S. Department of Health and Human Services			
(Passed through Georgia Department of Human Resources)			
Child Support Enforcement - Title IV D	93.563	42700-401-0000004834	1,057,770
Substance Abuse Prevention Program	93.959	427-93-09091117-99	28,201
Total U.S. Department of Health and Human Services			1,085,971
U.S. Department of Justice			
(Passed through Criminal Justice Coordinating Council)			
Edward Byrne Memorial Formula Grant Program - Multi Jurisdictional Task Force & Crack Enforcement	16.579	2010-DJ-BX-0043	79,264
Drug Court Discretionary Grant Program	16.585	2011-DC-BX-0039	42,563
Edward Byrne Justice Assistance Grant - ARRA	16.803	B82-8-321	147,148
Total U.S. Department of Justice			268,975
U.S. Department of Transportation			
(Passed through Governor's Office of Highway Safety)			
Highway Enforcement of Aggressive Traffic	20.600	GA-2012-000-00534	1,834
Total U.S. Department of Transportation			1,834
U.S. Department of Homeland Security			
Hazard Mitigation Grant	97.039	HMP-1686-0047	800
Assistance to Firefighters Grant	97.044	EMW-2010-FR-302	632,859
(Passed through Georgia Emergency Management Agency)			
Emergency Management Performance Grant	97.042	EMPG-2010-EP-00-0013	25,000
Homeland Security Cluster	97.067	EMW-2011-SS-00081	3,000
Homeland Security Cluster	97.067	2010-SS-TO-034	490,000
Total Homeland Security Cluster			493,000
Total U.S. Department of Homeland Security			1,151,659
U.S. Department of Energy			
(Passed through Georgia Environmental Facilities Authority)			
Energy Efficiency and Conservation Block Grant - ARRA	81.128	EECBG-ARRA-GOV-2010-151	178,368
Total U.S. Department of Energy			178,368
Total Expenditures of Federal Awards			$ 2,892,044

LIBERTY COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Measurement Focus

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

Program Type Determination

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

Method of Major Program Selection

The risk based approach was used in the selection of federal programs to be tested as major programs.

Amount Provided to Subrecipients

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

LIBERTY COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ yes ____ no
Significant deficiencies identified not considered to be material weaknesses?	__X__ yes ____ none reported
Noncompliance material to financial statements noted?	__X__ yes ____ no

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ none reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	____ yes __X__ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement – Title IV D
97.067	Homeland Security Cluster
97.044	Assistance to Firefighters Grant

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ yes __X__ no

LIBERTY COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2012 - 1. Management of Accounts Receivable

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of this process, the County should review all revenue transactions to determine reporting in the proper period.

Condition: The County did not properly record due from other governments in the Special Purpose Local Option Sales Tax V Fund and the Non-Major Funds. Additionally, the County did not properly record its solid waste assessments in the Solid Waste Fund as of June 30, 2012.

Context: See above condition.

Effect: By not recording activity and performing reviews and reconciliations on a monthly basis, the County exposes itself to not being able to identify errors or irregularities in a timely manner. Adjustments to decrease due from other governments in the amount of $611,977 and decrease revenue in the same amount were required to be recorded in the Special Purpose Local Option Sales Tax V Fund. Adjustments to increase solid waste assessments in the amount of $98,132, increase allowance for uncollectible in the amount of $36,133, increase revenue in the amount of $192,723, and increase bad debt expense in the amount of $130,724 were required to be recorded in the Solid Waste Fund. Adjustments to decrease due from other governments in the amount of $69,538 and decrease revenue in the same amount were required to be recorded in the Non-major Funds.

Cause: The County did not review all revenue transactions after year-end to determine reporting in the proper period.

Recommendation: We recommend the County establish procedures to review all revenue transactions after year-end to determine reporting in the proper period.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to review all revenue transactions after year-end to determine reporting in the proper period.

2012 - 2. Management of Due To / From (Interfund) Accounts

Criteria: Generally accepted accounting principles require reporting of interfund activity expected to be repaid within a reasonable time as due to/from (interfund receivables and payables) accounts. As part of that process, the County should review the amounts that should be included in due to/from accounts in each fund to determine the proper amounts to be reported at any given time during the fiscal year.

Condition: We noted the County did not properly report the interfund accounts from the County's agency funds in the General Fund and Non-Major funds.

Context: See above condition.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2012 - 2. Management of Due To / From (Interfund) Accounts (Continued)

Effect: An adjustment to decrease due from other funds in the amount of $92,026 and decrease revenues in the same amount was required to be recorded in the General Fund. An adjustment to increase cash in the amount of $2,666, increase due from other funds in the amount of $65, and increase revenues in the amount of $2,731 was required to be recorded in the Non-Major Funds.

Cause: The County did not record amounts due from the County's agency funds.

Recommendation: We recommend the County implement procedures to properly record, reconcile, and review all transactions from the County's agency funds on a monthly basis.

Views of Responsible Officials and Planned Corrective Action: We concur. We will work to record, and reconcile all due to/from transactions at the end of each financial reporting cycle.

2012 - 3. Debt Transactions

Criteria: Governmental funds use the current financial resources measurement focus, which requires debt service expenditures to be recorded when due or paid. Proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including long-term debt.

Condition: The County did not appropriately record debt transactions in the Solid Waste Fund or the Non-Major Funds as of June 30, 2012.

Context: See above condition

Effect: An adjustment to decrease capital lease payable in the amount of $10,461, increase interest expense in the amount of $6,206, and decrease expenses in the amount of $16,667 was required to be recorded in the Solid Waste Fund. An adjustment to increase debt service expenditures in the amount of $31,418 and decrease prepaid expenditures in the same amount was required to be recorded in the Non-Major Funds.

Cause: Debt transactions are not being properly reported.

Recommendation: We recommend the County record all debt transactions appropriately as they occur during the year.

Views of Responsible Officials and Planned Corrective Action: We concur. We will record all debt transactions appropriately as they occur during the year.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2012 - 4. Management of Capital Assets

Criteria: Generally accepted accounting principles generally require the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic and rational manner.

Condition: The County did not properly capitalize capital assets and record accumulated depreciation in the Solid Waste Fund.

Context: See above condition

Effect: An adjustment to increase capital assets in the amount of $34,925, increase accumulated depreciation in the amount of $14,739, increase capital contributions in the amount of $1,076, and decrease depreciation expense in the amount of $19,110 was required to be recorded in the Solid Waste Fund.

Cause: Not all capital assets were properly capitalized and depreciated.

Recommendation: We recommend the County review all capital asset activity and capitalize and depreciate assets based on the County's capitalization policy.

Views of Responsible Officials and Planned Corrective Action: We concur. We will review all capital asset activity and properly record and depreciate assets based on our capitalization policy.

2012 - 5. Segregation of Duties

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: There is not appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds maintained by the County. This is especially prominent in the offices of the Clerk of Court, Probate Court, Jail, Child Support Receiver, Law Library, Victims Witness Assistance, Child Support Recovery, and Recreation Funds.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The lack of segregation of duties is due to the limited number of individuals in each office to perform all of the required duties.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2012 - 5. Segregation of Duties (Continued)

Recommendation: The duties of recording, distribution, and reconciliation of accounts should be segregated among employees as much as possible.

Views of Responsible Officials and Planned Corrective Action: We concur with the recommendation. Such segregation of duties will be implemented as soon as economically possible.

2012 - 6. Special Revenue Fund Budgets

Criteria: House Bill 1364 of the 1998 session of the Georgia General Assembly requires an annual balanced budget for the general fund, each special revenue fund, each debt service fund and requires a project length balanced budget for each capital projects fund.

Condition: For the fiscal year ending June 30, 2012, no annual budget was adopted for the Law Library Fund, Technology Fund, Confiscated Assets Fund, and Jail Inmate Commissary Fund in accordance with the Official Code of Georgia (OCGA) Sections 36-81-2 through 36-81-6.

Context: See above condition.

Effect: By not adopting a budget for all of the required funds the County is not in compliance with state law.

Cause: Due to the Law Library, Technology Fund, Confiscated Assets Fund, and Jail Inmate Commissary Fund being handled at locations outside the Finance Department, the budgeting for these funds was not addressed.

Recommendation: The County should adopt an annual balanced budget for each special revenue fund as is required by state law.

Views of Responsible Officials and Planned Corrective Action: We concur. A budget will be adopted for all required funds in future years.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

LIBERTY COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

2011 - 1. Recording Activity

Criteria: Significant balances and transactions in any operation should be recorded, reconciled, reviewed and adjusted on a monthly basis. Specifically, management of operating transactions warrant this exercise monthly, inclusive of reviewing and reconciling the monthly statements, trial balances and other supporting documentation provided by external parties.

Condition: We noted the County did not include general ledger transactions recorded at other locations in the County's accounting software during the year-ended June 30, 2011 for the General Fund and Non-Major Funds.

Auditee Response/Status: Resolved

2011 - 2. Management of Accounts Receivable

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of this process, the County should review all revenue transactions to determine reporting in the proper period.

Condition: The County did not properly record its accounts receivable in the Non-Major Funds, and did not properly record its solid waste assessments in the Solid Waste Fund as of June 30, 2011.

Auditee Response/Status: Unresolved – See current year audit finding 2012-1.

2011 - 3. Segregation of Duties

Criteria: Internal controls should be in place, which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: There is not appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds maintained by the County. This is especially prominent in the offices of the Clerk of Court, Probate Court, Jail, Child Support Receiver, Law Library, Victims Witness Assistance, Child Support Recovery, and Recreation Funds.

Auditee Response/Status: Unresolved – See current year audit finding 2012-5.

LIBERTY COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

2011 - 4. Special Revenue Fund Budgets

Criteria: House Bill 1364 of the 1998 session of the Georgia General Assembly requires an annual balanced budget for the general fund, each special revenue fund, each debt service fund and requires a project length balanced budget for each capital projects fund.

Condition: For the fiscal year ending June 30, 2011, no annual budget was adopted for the Law Library Fund, Technology Fund, Confiscated Asset Fund, Jail Inmate Commissary Fund, and Liberty County Projects Corporation in accordance with the Official Code of Georgia (OCGA) Sections 36-81-2 through 36-81-6. Additionally, the County did not adopt a balanced budget for the Multiple Grant Fund.

Auditee Response/Status: Unresolved – See current year audit finding 2012-6.

2011 - 5. Undercollateralization of County Deposits

Criteria: The Official Code of Georgia (OCGA) Section 45-8-12 (c) requires all depositories of public funds to pledge securities of not less that 110% of the deposited public funds.

Condition: For the year ended June 30, 2011, the County's deposits held at one financial institution were undercollateralized.

Auditee Response/Status: Resolved

2011 - 6. Special Purpose Local Option Sales Tax Proceeds

Criteria: In accordance with the Official Code of Georgia (OCGA) Section 48-8-121, Special Purpose Local Option Sales Tax proceeds shall be used exclusively for the purpose or purposes specified in the resolution or ordinance calling for imposition of the tax. Such proceeds shall be kept in a separate account from other funds of such County receiving proceeds of the sales and use tax and shall not in any manner be commingled with other funds.

Condition: For the fiscal year ending June 30, 2011, the County did not comply with OCGA Section 48-8-121 by transferring proceeds from the Sales Tax Fund to the General Fund.

Auditee Response/Status: Resolved