LANIER COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For The Year Ended June 30, 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Lanier County, Georgia

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lanier 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 Lanier County, Georgia's, management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lanier County, Georgia as of June 30, 2012, and the respective changes in financial position thereof 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 4, 2013, on our consideration of Lanier County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 and budgetary comparison information on pages 3 through 9 and 35 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lanier County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and the Schedule of Projects Constructed With Special Sales Tax Proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements of Lanier County, Georgia. The combining and individual nonmajor fund statements and the Schedule of Projects Constructed With Special Sales Tax Proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Tillman & Tillman, LLP

Valdosta, Georgia
March 4, 2013

LANIER COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2012

As Management of the Lanier County, Georgia, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the year ending June 30, 2012. We encourage our readers to consider the information presented within this Management's discussion and analysis in conjunction with the basic financial statements. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

Financial Highlights

Key financial highlights for FY12 are as follows:

The County's total net assets increased by $143,414.

The County's governmental fund assets exceeded its liabilities at June 30, 2012 by $ 4,173,560 (net assets). Of this amount $738,685 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current year, unassigned fund balance for the General Fund increased by $340,297, resulting in a fund balance of $596,764.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity. The statements also provide a detailed look at specific financial conditions.

The County's basic financial statements are comprised of three components: the government -wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status in a manner similar to a private-sector business.

The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail that the government-wide statements.

Government-Wide Financial Statements

The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

Statement of Net Assets and the Statement of Activities

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. The statement of activities presents information showing how the County's net assets changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

The change in net assets is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, non-financial information such as changes in the County's tax base and the condition of the County's capital assets will also need to be evaluated.

In the statement of net assets and the statement of activities, the County is divided into two kinds of activities:

Governmental Activities - Most of the County's programs and services are reported here, including general government, judicial, public safety, public works, health and human services, culture and recreation and housing and development. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

Component Unit - The County's financial statements include financial data of the Lanier County, Georgia Board of Health. This component unit is described in the notes to the financial statements. This component unit is separate and may buy, sell, lease, and mortgage property in its own name and can sue or be sued in its own name.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental fund is General Fund.

Governmental Funds—Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year-end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

Notes to the Financial Statements—The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

Other Information—In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Assets:

Lanier County's Net Assets

	Governmental Activities				Total Percentage Change
		2011		2012	2011-2012
Assets					
Current and other assets	$	1,229,212	$	1,396,872	13.64%
Capital assets, net		3,745,657		3,827,377	2.18%
Total Assets		**4,974,869**		**5,224,249**	5.01%
Liabilities					
Current and other liabilities		640,169		657,054	2.64%
Long-term liabilities		336,168		233,774	-30.46%
Total Liabilities		**976,337**		**890,828**	-8.76%
Net Assets					
Invested in capital assets, net of related debt		3,330,165		3,335,216	0.15%
Restricted		323,523		276,892	-14.41%
Unrestricted		344,844		721,313	109.17%
Total Net Assets	**$**	**3,998,532**	**$**	**4,333,421**	8.38%

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by $4,333,421 as of June 30, 2012. A large portion of the County's net assets (77%) reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (6.4 percent) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets ($721,313) may be used to meet the County's ongoing obligations to citizens and creditors.

The next table shows the changes in net assets for the year ending June 30, 2012.

Changes in Lanier County's Net Assets

	Governmental Activities 2011	Governmental Activities 2012	Total Percentage Change 2011-2012
Revenues			
Program Revenues			
Charges for services	$ 612,759	$ 581,327	-5.13%
Operating grants and contributions	64,164	58,602	-8.67%
Capital grants and contributions	498,250	265,756	100.00%
Total Program Revenues	1,175,173	905,685	-22.93%
General Revenues			
Property taxes	2,304,330	2,627,253	14.01%
Sales taxes	832,555	845,163	1.51%
Timber taxes	19,461	16,767	-13.84%
Insurance premium taxes	215,018	280,740	30.57%
Other taxes	89,900	84,364	-6.16%
Interest, penalties and costs - taxes	145,782	101,462	-30.40%
Miscellaneous	82,752	16,155	100.00%
Total General Revenues	3,689,798	3,971,904	7.65%
Total Revenues	**4,864,971**	**4,877,589**	**0.26%**
Expenses			
Governmental Activities:			
General Government			
Legislative and executive	$ 1,115,829	$ 1,170,163	4.87%
Judicial	399,081	430,699	7.92%
Public safety	1,983,580	1,550,816	-21.82%
Public works	890,929	886,298	-0.52%
Health and welfare	106,657	107,741	1.02%
Culture and recreation	173,860	167,078	-3.90%
Housing and development	112,973	167,176	100.00%
Interest on long-term debt	7,455	13,889	86.30%
Total Expenses	4,790,364	4,493,860	-6.19%
Change in Net Assets	**74,607**	**$ 383,729**	**414.33%**
Net Assets, Beginning	3,923,925	3,949,692	0.66%
Net Assets, Ending	**$ 3,998,532**	**$ 4,333,421**	**8.38%**

Governmental Activities

The following table provides the total cost of services and the net cost of services for the governmental activities. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting these services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Net Cost of Lanier County's Governmental Activities

Function	Total Cost of Services 2011	Total Cost of Services 2012	Percentage Change 2011-2012	Net Cost of Services 2011	Net Cost of Services 2012	Percentage Change 2011-2012
General Government						
Legislative and executive	$ 1,115,829	$ 1,170,163	4.87%	$ 977,718	$ 1,037,709	6.14%
Judicial	399,081	430,699	7.92%	81,854	123,656	51.07%
Public safety	1,983,580	1,550,816	-21.82%	1,782,467	1,390,119	-22.01%
Public works	890,929	886,298	-0.52%	450,820	627,881	39.28%
Health and welfare	106,657	107,741	1.02%	101,645	83,114	-18.23%
Culture and recreation	173,860	167,078	-3.90%	126,911	144,631	13.96%
Housing and development	112,973	167,176	100.00%	86,321	167,176	93.67%
Interest on long-term debt	7,455	13,889	86.30%	7,455	13,889	86.30%
Total	**$ 4,790,364**	**$ 4,493,860**	**-6.19%**	**$ 3,615,191**	**$ 3,588,175**	**-0.75%**

Financial Analysis of County Funds

The County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of June 30, 2012, the County's governmental funds reported a combined ending fund balance of $880,869, an increase of $350,492.

The General Fund is the primary operating fund of the County. At the end of June 30, 2012, the unassigned fund balance was $ 579,517.

Budgetary Highlights

By State statute, the Board of County Commissioners adopts the annual operating budget for the fiscal year on or before the fist day of the fiscal year. Changes were made to the adopted budget in some departments due to greater than expected expenditures such as rising gas prices and other unexpected cost and were offset by revenues exceeding the original budget.

Capital Assets

The County's investment in capital assets for governmental as of June 30, 2012, was $3,335,216 (net of accumulated depreciation and related debt). This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, furniture and fixtures, vehicles and infrastructure.

Major capital asset events during FY12 included the acquisition of vehicles and equipment for various County departments, road improvements and lights for recreation facilities.

Note 6 (Capital Assets) provides additional information about capital asset activity during FY12.

Debt

At June 30, 2012, the County had total capital lease debt outstanding of $492,161.

In addition to the capital leases, the County's long-term obligations include compensated absences. Notes 8 and 10 provide information regarding these liabilities.

Economic Factors

Local option sales tax increased 1.51% in FY12 after several years of decline.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Lanier County Commission, County Clerk, 100 Main Street, Lakeland, Georgia 31635.

Component unit financial statements can be obtained from the South Health District office and should be addressed to the Finance Director, 325 West Savannah Avenue, Valdosta, Georgia 31603.

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LANIER COUNTY, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2012

	Primary Government		Component Unit
	Governmental Activities	Total	Lanier County Board of Health
ASSETS			
Cash	$ 533,658	$ 533,658	$ 145,232
Prepaid expense	24,460	24,460	-
Taxes receivable	218,680	218,680	-
Accounts receivable	333,394	333,394	-
Due from other governments	286,680	286,680	11,834
Nondepreciable capital assets	273,534	273,534	-
Depreciable capital assets, net	3,553,843	3,553,843	4,228
TOTAL ASSETS	5,224,249	5,224,249	161,294
LIABILITIES			
Accounts payable	287,354	287,354	-
Accrued liabilities	10,522	10,522	-
Due to other governments	40,330	40,330	-
Long-term liabilities:			
Due within one year:			
Capital leases payable	292,217	292,217	-
Compensated absences	14,576	14,576	9,539
Landfill postclosure cost	12,056	12,056	
Due in more than one year:			
Capital leases payable	199,944	199,944	-
Compensated absences	9,717	9,717	6,359
Landfill postclosure cost	24,112	24,112	-
TOTAL LIABILITIES	890,828	890,828	15,898
NET ASSETS			
Invested in capital assets (net of related debt)	3,335,216	3,335,216	4,228
Restricted for:			
Capital projects	55,799	55,799	-
Economic improvement loans	180,152	180,152	-
Drug enforcement	3,642	3,642	-
Drug education and treatment	17,061	17,061	-
Technology grant	592	592	-
Law library	19,114	19,114	-
Burnt Church building	532	532	-
Prior year program income	-	-	69,745
Special health programs	-	-	17,186
Unrestricted	721,313	721,313	54,237
TOTAL NET ASSETS	$ 4,333,421	$ 4,333,421	$ 145,396

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

LANIER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2012

FUNCTION/PROGRAM	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions, and Interest	Program Revenues: Capital Grants, Contributions, and Interest
Primary Government:				
GOVERNMENTAL ACTIVITIES				
General government				
Legislative	$ 1,170,163	$ 129,329	$ 3,125	$ -
Judicial	430,699	282,715	24,328	-
Public Safety	1,550,816	113,018	5,000	42,679
Public Works	886,298	27,790	7,550	223,077
Health and Welfare	107,741	6,028	18,599	-
Culture and Recreation	167,078	22,447	-	-
Housing and Development	167,176	-	-	-
Interest on Long-term Debt	13,889	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	4,493,860	581,327	58,602	265,756
TOTAL PRIMARY GOVERNMENT	$ 4,493,860	581,327	58,602	265,756
COMPONENTS UNITS				
Lanier County Board of Health	$ 239,559	$ 69,745	$ 149,141	$ -
TOTAL COMPONENT UNITS	$ 239,559	$ 69,745	$ 149,141	$ -

GENERAL REVENUES
Property taxes, levied for general purposes
Timber taxes
Sales taxes
Real estate transfer taxes
Insurance premium taxes
Beer and wine taxes
Intangible recording taxes
Interest and penalties - delinquent taxes
Franchise tax
Other revenues

TOTAL GENERAL REVENUES

CHANGES IN NET ASSETS

NET ASSETS, RESTATED

NET ASSETS AT END OF YEAR

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

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		Component Unit
Governmental Activities	Total	Lanier County Board of Health
$ (1,037,709)	$ (1,037,709)	$ -
(123,656)	(123,656)	-
(1,390,119)	(1,390,119)	-
(627,881)	(627,881)	-
(83,114)	(83,114)	-
(144,631)	(144,631)	-
(167,176)	(167,176)	-
(13,889)	(13,889)	-
(3,588,175)	(3,588,175)	-
(3,588,175)	(3,588,175)	-
$ -	$ -	$ (20,673)
$ -	$ -	$ (20,673)
2,627,253	2,627,253	-
16,767	16,767	-
845,163	845,163	-
6,921	6,921	-
280,740	280,740	-
41,280	41,280	-
35,147	35,147	-
101,462	101,462	-
1,016	1,016	-
16,155	16,155	-
3,971,904	3,971,904	-
383,729	383,729	(20,673)
3,949,692	3,949,692	166,069
$ 4,333,421	$ 4,333,421	$ 145,396

LANIER COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
June 30, 2012

		Capital Projects Funds		Special Revenue Funds		
	General Fund	2007 Special Purpose Sales Tax Fund	2011 CDBG	Revolving Loan Fund	Other Governmental Funds	Total
ASSETS						
Cash	$ 261,941	$ 56,464	$ -	$ 149,289	$ 65,965	$ 533,659
Prepaid expense	24,460	-	-	-	-	24,460
Taxes receivable	218,680	-	-	-	-	218,680
Accounts receivable	300,979	-	-	30,863	1,552	333,394
Interfund receivable	26,576	-	-	-	-	26,576
Due from other governments	25,605	51,197	209,877	-	-	286,679
TOTAL ASSETS	858,241	107,661	209,877	180,152	67,517	1,423,448
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	64,935	12,541	209,877	-	-	287,353
Accrued liabilities	10,522	-	-	-	-	10,522
Interfund payable	-	-	-	-	26,576	26,576
Due to other governments	1,009	39,321	-	-	-	40,330
Deferred revenues	177,798	-	-	-	-	177,798
TOTAL LIABILITIES	254,264	51,862	209,877	-	26,576	542,579
FUND BALANCES						
Nonspendable for:						
Prepaid expense	24,460	-	-	-	-	24,460
Restricted for:						
Capital projects	-	55,799	-	-	-	55,799
Economic improvement loans	-	-	-	180,152	-	180,152
Drug enforcement	-	-	-	-	3,642	3,642
Drug education and treatment	-	-	-	-	17,061	17,061
Technology Grant	-	-	-	-	592	592
Law library	-	-	-	-	19,114	19,114
Burnt Church building	-	-	-	-	532	532
Unassigned reported in:						
General Fund	579,517	-	-	-	-	579,517
TOTAL FUND BALANCES	603,977	55,799	-	180,152	40,941	880,869
TOTAL LIABILITIES AND FUND BALANCES	$ 858,241	$ 107,661	$ 209,877	$ 180,152	$ 67,517	$ 1,423,448

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

LANIER COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
June 30, 2012

Total Governmental Fund Balances		$ 880,869
Amounts report for governmental activities on the statement of net assets are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	$ 6,323,752	
Less accumulated depreciation	(2,496,375)	3,827,377
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental activities.		
Capital leases payable	(492,162)	
Accrued compensated absences	(24,293)	
Accrued postclosure cost	(36,168)	(552,623)
Deferred revenue in governmental activities are susceptible to full accrual in the government-wide statement of net assets.		
Deferred revenues		177,798
Net Assets of Governmental Activities		$ 4,333,421

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

LANIER COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For The Year Ended June 30, 2012

		Capital Projects Funds		Special Revenue Funds		
	General Fund	2007 Special Purpose Sales Tax Fund	2011 CDBG	Revolving Loan Fund	Other Governmental Funds	Total
REVENUES						
Taxes	$ 3,370,764	$ 563,433	$ -	$ -	$ -	$ 3,934,197
Licenses and permits	35,112	-	-	-	-	35,112
Intergovernmental revenues	47,789	-	223,077	-	42,679	313,545
Charges for services	273,300	-	-	-	-	273,300
Fines and forfeitures	194,059	-	-	-	59,179	253,238
Investment income	3,125	347	-	7,203	137	10,812
Miscellaneous	39,089	-	-	-	-	39,089
TOTAL REVENUES	3,963,238	563,780	223,077	7,203	101,995	4,859,293
EXPENDITURES						
Current:						
General Government						
Legislative and executive	1,053,930	-	-	-	-	1,053,930
Judicial	416,696	-	-	-	14,003	430,699
Public safety	1,448,640	-	-	-	72,642	1,521,282
Public works	226,306	392,794	-	-	-	619,100
Health and welfare	107,322	-	-	-	-	107,322
Culture and recreation	300,576	-	-	-	-	300,576
Housing and development	165,056	-	-	-	-	165,056
Intergovernmental	-	212,302	-	-	-	212,302
Capital Outlay	-	-	223,077	-	-	223,077
Debt Service						
Principle retirement	88,774	-	-	-	-	88,774
Interest	13,889	-	-	-	-	13,889
TOTAL EXPENDITURES	3,821,188	605,096	223,077	-	86,645	4,736,006
EXCESS OF REVENUES (UNDER) EXPENDITURES	142,050	(41,316)	-	7,203	15,350	123,287
OTHER FINANCING SOURCES (USES):						
Capital Lease Financing	227,205	-	-	-	-	227,205
TOTAL OTHER FINANCING SOURCES (USES)	227,205	-	-	-	-	227,205
NET CHANGE IN FUND BALANCE	369,255	(41,316)	-	7,203	15,350	350,492
FUND BALANCE, RESTATED	234,722	97,115	-	172,949	25,591	530,377
FUND BALANCE AT END OF YEAR	$ 603,977	$ 55,799	$ -	$ 180,152	$ 40,941	$ 880,869

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

LANIER COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2012

Net Change in Fund Balances - Total Governmental Funds		$	350,492
Amounts report for governmental activities in the statement of activities are different because of the following:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:			
Expenditures for capital assets	450,632		
Current year depreciation expense	(313,814)		136,818
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:			
Net change in deferred revenues - property taxes	22,887		
Capital lease financing	(227,205)		(204,318)
Some expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds:			
Loss of disposal of capital assets	(55,098)		
Compensated absences	(6,757)		
Landfill postclosure cost	12,056		(49,799)
Repayment of principal on debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of activities:			
Payments on long-term debt			150,536
Change in Net Assets of Governmental Activities		$	383,729

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

LANIER COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2012

	Agency Funds
ASSETS	
Cash	$ 499,038
TOTAL ASSETS	$ 499,038
LIABILITIES	
Due to others	$ 499,038
TOTAL LIABILITIES	499,038
NET ASSETS	$ -

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

Note 1 – Reporting Entity

The Entity. These financial statements present Lanier County, Georgia (the primary government) which is governed by an elected board and the Lanier County Board of Health, a discreetly presented component unit. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/ burden on the county
- there is a fiscal dependency by the organization of the County

Based on the criteria of GASB 2100, the following entity is considered a component unit of Lanier County, Georgia:

The Lanier County Board of Health is a component unit based on the criteria of the County appointing a voting majority to the board, the County's ability to impose its will and fiscal dependency. The balance sheet and statement of revenues, expenditures, and changes in fund balance for Lanier County Board of Health are presented in these financial statements using the method of discrete presentation. A complete set of financial statements for the Lanier County Board of Health is presented in a separate report and can be obtained from the South Health District office and should be addressed to the Finance Director, 325 West Savannah Avenue, Valdosta, Georgia 31603. Lanier County provided $64,918 in funding to the Board of Health for the year ending June 30, 2012

Joint Ventures The County, in conjunction with cities and counties in the (16) county Southeast Georgia area are members of the Southern Georgia Regional Commission. Membership in the Regional Commission is automatic for each municipality and county in the state. The official Code Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the Regional Commission's. Each county and municipality in the state is required by law to pay minimum annual dues to the Regional Commission. The County paid annual dues in the amount of $6,299 to the Regional Commission for the year ended June 30, 2012. The Regional Commission Board membership includes the Chief elected official of each county and municipality. The County Board members and municipal Board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from the County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines an Regional Commission as "public agencies and instrumentality's of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an Regional Commission beyond its resources. (O.C.G. A. 50-8-39.1)

A copy of the financial report can be obtained at the following address:

Southern Georgia Regional Commission
3395 Harris Road
Waycross. Georgia 31503

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Note 2 – Summary of Significant Accounting Policies

The financial statements of Lanier County 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. Following are the more significant of the County's accounting policies.

A. Basis of Presentation

The County's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

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Note 2 - Summary of Significant Accounting Policies - Continued

B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund. The General Fund accounts for all financial resources, except those required to be accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

Capital Projects 2007 SPLOST Fund. The Capital Projects 2007 Special Purpose Sales Tax Fund accounts for the special purpose local option sales tax that was renewed by referendum. The revenue is restricted to the stated purposes of the referendum.

Capital Projects 2011 CDBG Fund. The Capital Projects 2011 CDBG Fund accounts for the CDBG grant funds used for road improvements.

Revolving Loan Fund. The Revolving Loan Fund accounts for financing of various projects with economic development impact on the citizens of Lanier County. The fund was established initially through federal and state grants.

The other governmental funds of the County account for other resources whose use is restricted for a particular purpose; the accumulation of resources for, and the payment of debt, and the acquisition or construction of major capital projects.

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Note 2 - Summary of Significant Accounting Policies - Continued

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The County's agency funds account for assets held by the County's Tax Commissioner, Clerk of Superior Court, Sheriff , Magistrate Court and Probate Judge for other governments or individuals.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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Note 2 - Summary of Significant Accounting Policies - Continued

Revenues—Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty days after year end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, grants, interest, and rent.

Deferred Revenues

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Property taxes for which there was an enforceable legal claim at June 30, 2012, but were levied to finance FY12 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred. Prepaid expenditures in governmental funds are recognized during the benefiting period.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

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Note 2 - Summary of Significant Accounting Policies – Continued

E. Budgetary Process

The County adopts annual budgets for the General Fund, Capital Projects Fund and Special Revenue Funds. The budgets are adopted on a basis substantially consistent with U.S. generally accepted accounting principles with the following exceptions. The County budget may present the use of appropriated beginning fund balances and the proceeds of short-term debt as other financing sources, and the repayment of short-term debt as other financing uses, when such elements are present in the adopted budget.

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

1. Prior to July 1, the Board of Commissioners prepares 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 to obtain taxpayers' comments. Notice is given at least ten days in advance by publication in the official organ of Lanier County.

3. The budget is legally enacted through passage of an ordinance.

4. The budget is employed as a management control device during the year. Budgetary control is established at the department level. Management may not make changes without approval of the Board of Commissioners.

Budgeted amounts are presented as amended by the Lanier County Board of Commissioners.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is no utilized in the governmental funds.

G. Cash and Investments

Cash and cash equivalents are defined as short-term, highly liquid investments with a maturity of three months or less when purchased, that are readily convertible to know amounts of cash, and so near their maturity that they present insignificant rates of changes in value because of changes in interest rates.

The County's deposit policy limits deposit choices to checking accounts, money market accounts and certificates of deposits with local banks. All deposits are to be secured as required by state statutes. The state statute requires the deposits to be secured at an amount equal to the total deposits less FDIC insurance, and then multiplied by 110 percent.

The County is authorized to invest in funds in (1) obligations which constitute direct obligations of, or are unconditionally guaranteed by, the United States of America; (2) certificates of deposit issued by state and national banks located in the state of Georgia when secured by acceptable collateral; (3) obligations of the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank and Federal Bank of Cooperatives; and (4) bonds or other obligations issued by any public housing agency or municipality which are served by a pledge of annual contributors under contract with the United States Government, or project notes secured by a payment agreement with the United States Government.

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Note 2 - Summary of Significant Accounting Policies - Continued

H. Prepaid Expenses

Prepaid balances are for payments made by the County in the current year to provide services occurring the subsequent fiscal year.

I. Inventory

Materials purchased are shown as expenditures when acquired are not inventoried at year end due to a lack of materiality.

J Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset.

K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The County maintains a capitalization threshold of $5,000. The County's infrastructure consists of roads, bridges, and culverts. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated, except for land and improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Building Improvements	40 - 50 years
Machinery and Equipment	5 - 10 years
Furniture and Fixtures	5 - 10 years
Vehicles	5 - 10 years
Infrastructure	25 years

Capital assets include public domain (infrastructure) general capital assets consisting of improvements including roads and bridges for which historical cost information was available or could be estimated.

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Note 2 - Summary of Significant Accounting Policies - Continued

L. Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." Interfund balances within governmental activities are eliminated on the government-wide statement of net assets.

M. Compensated Absences

Vacation and sick leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation and sick leave when earned for all employees.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are not recognized as a liability and expenditure.

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

P. Fund Balances

The County has implemented GASB No. 54, Fund Balance Report and Governmental Fund Type Definitions. Under GASB Statement No. 54, fund balances are required to be reported in the following classifications:

<u>Nonspendable fund balance</u> – Includes amounts that cannot be spent because they are either not in spendable form , or, for legal or contractual reasons, must be kept intact.

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Note 2 - Summary of Significant Accounting Policies - Continued

P. Fund Balances - Continued

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors, grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the County's highest level of decision-making authority, the County Board of Commissioners.

Assigned fund balance – Amounts that are constrained by the County's intent to be used for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the County Board of Commissioners, or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balances – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

The Board of Commissioners has assigned amounts for specific purposes which are reflected in the Governmental Funds Balance Sheet. The Commissioners would expend funds that are committed for a specific purpose as that event occurs. Commissioners would expend unassigned amounts first and then use assigned amounts if necessary.

Q. Interfund Transactions

Transfers between governmental activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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Note 3 - Cash And Investments

The County maintains separate checking and investment accounts for each fund. The County's cash in bank balances represent balances in all accounts including general fund, special revenue funds, capital projects funds, and fiduciary funds.

At June 30, 2012 all deposits were collateralized by FDIC insurance and pledged securities by the banking entities.

Note 4 – Due From Other Governments

Due from other governments consisted of the following:

General Fund	
Georgia Department of Revenue	$ 25,605
Total - General Fund	$ 25,605
Capital Project Funds	
2007 SPLOST Fund	
Georgia Department of Revenue	$ 51,197
Capital Project Funds	
2011 CDBG Fund	
Georgia Department of Revenue	$ 209,877
Total - Capital Project Funds	$ 261,074
Total - Due From Other Governments	$ 286,679

Note 5- Property Taxes

The County sets its property tax millage on the tax levy date each year. Taxes are levied on October 20. The property tax lien attaches to property in existence at January 1 of each year and is payable by December 20 of that year. The County collects taxes on real and personal property including motor vehicles and mobile homes. The Lanier County Tax Commissioner acts as collection agent for the County, Board of Education, and State of Georgia for taxes on real and personal property and for the City of Lakeland for taxes on motor vehicles and mobile homes owned by City residents. Georgia stat law does not provide for maximum millage rates that the County may levy.

Deferred Revenue - Delinquent property taxes not collected within sixty (60) days after year-end is recognized as deferred revenue.

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Note 6 – Capital Assets

A summary of the changes in general capital assets for the year ended June 30, 2012 is as follows:

	Balance at July 1, 2011	Additions	Reductions	Balance at June 30, 2012
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land and improvements	$ 65,457	$ -	$ -	$ 65,457
Construction in progress	-	208,077	-	208,077
Total Nondepreciable Capital Assets	65,457	208,077	-	273,534
Depreciable Capital Assets:				
Buildings and building improvements	$ 1,571,416	$ -	$ -	$ 1,571,416
Infrastructure	1,454,597	-	-	1,454,597
Paving, landscaping and improvements	175,235	150,000	-	325,235
Vehicles	757,962	88,705	15,905	830,762
Machinery and equipment	1,926,379	3,850	62,021	1,868,208
Total Depreciable Capital Assets	5,885,589	242,555	77,926	6,050,218
Less Accumulated Depreciation for:				
Buildings and building improvements	719,103	42,043	-	761,146
Infrastructure	56,607	29,092	-	85,699
Paving, landscaping and improvements	126,166	9,624	-	135,790
Vehicles	405,467	61,854	7,566	459,755
Machinery and equipment	898,046	171,201	15,262	1,053,985
Total Accumulated Depreciation	2,205,389	313,814	22,828	2,496,375
Total Depreciable Capital Assets, Net	3,680,200	(71,259)	55,098	3,553,843
Governmental Activities Capital Assets, Net	$ 3,745,657	$ 136,818	$ 55,098	$ 3,827,377

Depreciation was charged to governmental functions as follows:

Governmental activities:	
General Government	
Legislative and Executive	$ 58,969
Public Safety	119,119
Public Works	113,270
Health and Welfare	4,269
Culture and Recreation	16,065
Housing and Development	2,121
Total Depreciation Expense - Governmental Activities	$ 313,814

.

Note 7 – Interfund Balances

	Interfund Receivable	Interfund Payable
General Fund		
Jail Fund	$ 26,576	$ -
	26,576	-
Jail Fund		
General Fund	-	26,576
Total Governmental Funds	$ -	$ 26,576

Interfund receivables and payables are the result from expenditures paid from the general fund that will need to be reimbursed from the jail fund.

Note 8 – Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused leave benefits. Unused leave benefits will be paid to employees upon separation from County services. The General Fund pays for any used compensated absences during a fiscal year.

	Balance at June 30, 2011	Additions	Reductions	Balance at June 30, 2012	Amount Due In One Year
Primary Government:					
Governmental Activities:					
Compensated absences	$ 17,536	$ 17,279	$ 10,522	$ 24,293	$ 14,576
Total Primary Government	$ 17,536	$ 17,279	$ 10,522	$ 24,293	$ 14,576
Component Unit - Board of Health:					
Compensated absences	$ 18,553	$ 14,429	$ 17,084	$ 15,898	$ 9,539

Note 9 – Tax Anticipation Note

During the fiscal year the County borrowed funds from a Tax Anticipation Note and repaid that loan by December 31, 2011.

	Balance at June 30, 2011	Additions	Reductions	Balance at In One Year
Governmental Activities				
TAN Note Payable	$ 250,175	$ 550,080	$ 800,255	$ -
Total Governmental Activities	$ 250,175	$ 550,080	$ 800,255	$ -

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Note 10 - Long-Term Debt

The following is a summary of the debt transactions of the County for the fiscal year ended June 30, 2012:

	Balance at June 30, 2011	Additions	Reductions	Balance at June 30, 2012	Amount Due In One Year
Governmental Activities					
Capital leases	$ 415,492	$ 227,205	$ 150,536	$ 492,161	$ 292,217
Total Governmental Activities	$ 415,492	$ 227,205	$ 150,536	$ 492,161	$ 292,217

The original issue date, interest rate and original issue amount for the County's long-term obligations are as follows:

	Purpose	Original Issue Date	Interest Rate	Original Issue Amount	Maturity Date
Governmental Activities					
Capital Lease	Motor Grader	2007	4.45%	$ 188,832	2012
Capital Lease	Motor Grader	2007	4.45%	$ 188,832	2012
Capital Lease	Tractor	2009	5.50%	$ 36,570	2014
Capital Lease	Motor Grader	2009	4.90%	$ 91,775	2014
Capital Lease	Recreation Vehicle	2008	6.25%	$ 18,850	2012
Capital Lease	Recreation Equipment	2009	6.25%	$ 22,900	2013
Capital Lease	Sheriff Vehicle	2009	7.10%	$ 29,230	2012
Capital Lease	Park Lights	2011	5.45%	$ 150,000	2021
Capital Lease	Sheriff Vehicles	2011	6.00%	$ 77,205	2014

The following is a summary of the County's future annual debt service requirements on long-term obligations:

	Governmental Activities	
	Capital Leases	
Year Ending June 30,	Principal	Interest
2013	292,217	16,020
2014	67,533	9,753
2015	32,858	6,555
2016	14,421	5,563
2017	15,227	4,757
2018-2021	69,906	10,032
Total	$ 492,161	$ 52,680

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Note 11 – Landfill-Postclosure Costs

The County owned and operated a solid waste landfill prior to 1992. During 1992, the landfill was closed. In compliance with State and Federal regulations, the County contracted with an engineering firm to conduct the necessary ground water and methane monitoring procedures.

The County has accrued the expected postclosure cost for the landfill. The amount accrued of $36,168 represents 100% of the total estimated remaining postclosure cost which is made up of estimated monitoring costs and maintenance costs. This estimate is subject to change based on changes in technology or applicable laws and regulations. The County plans to fund postclosure costs through the general fund budget.

	Balance at July1, 2011	Additions	Reductions	Balance at June 30, 2012	Amount Due In One Year
Governmental Activities					
Landfill postclosure cost	$ 48,224	$ -	$ 12,056	$ 36,168	$ 12,056
Total Governmental Activities	$ 48,224	$ -	$ 12,056	$ 36,168	$ 12,056

Note 12 – Component Units

Lanier County Board of Health

Basis of Presentation The financial statements of the Lanier County Board of Health (Board) have been prepared in accordance with generally accepted accounting principles (GAAP) for local governmental units and, accordingly, reflect all significant receivables, payables, and other liabilities. The Board uses funds to report on its financial position and results of its operations. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

Basis of Accounting The accrual basis of accounting is followed by the Board. Revenues are recognized when an exchange takes place or when all eligibility requirements have been satisfied.

Cash and Cash Equivalents Cash and cash equivalents of the Board are not a part of the County's cash management pool and are reported as part of "Cash and Cash Equivalents in Segregated Accounts".

Property and Equipment Property and equipment are carried at cost or, if donated, the fair value on the date donated. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

Property and equipment as of June 30, 2012, was as follows:

Equipment	$ 36,987
Less Accumulated Depreciation	(32,759)
Net Property and Equipment	$ 4,228

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Note 12 – Component Units - Continued

Lanier County Board of Health

Retirement Plan

The employees of the Health Department participate in the Georgia State Employees Retirement System, a multi-employer, defined contribution plan. The Plan is administered by the State of Georgia, and accumulated benefits and Plan assets are not determined or allocated to the individual participating governmental entities. The Georgia State Employees' Retirement System of Georgia requires ten years of continuous service to become fully vested. Employees are required to pay either 1.25% of gross earnings to the retirement account or .25% of gross earnings to the GLLI premiums. Employer contributions amount to 5.66% and 10.41% of covered compensation for the fiscal year for participants in the old and new plan respectively. The total employer retirement contributions to the Georgia State Employees Retirement System for the year ended June 30, 2012 were $10,098. Ten-year historical trend information and relevant actuarial information may be obtained from the Employee's Retirement System, Two Northside 75, Suite 300, Atlanta, Georgia 30316-7778 or calling 1-404-352-6400.

Note 13 – Operating Leases

The County leases office space to other governmental agencies under a one year lease agreement and on a month-to-month basis. Rental income was $13,800 for the year ending June 30, 2012. Beginning July 1, 2009, the County leased the County Annex Building from the Development Authority of Lanier County for a period of 12 months for $50,000 per year. The County has the option to renew the lease agreement for an additional twelve months and shall inform the Development Authority by June 1 of each year. Lease expense for the County Annex Building was $50,000 for the year ending June 30, 2012.

Note 14 – Contingent Liabilities

There was no pending litigation, claims, or assessments against the County at June 30, 2012. In the opinion of County management, there were no unasserted claims or assessments that might have a material effect on the financial condition of the County.

The County receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by the Federal and State Governments for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, will not be significant.

Note 15 – Retirement Benefits

Defined Contribution Plan:

The County sponsors the Association County Commissioners of Georgia Defined Contribution Plan. The plan is an IRC Section 401(a)/457 Match Plan.

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Note 15 – Retirement Benefits - Continued

Under the plan, all full-time permanent employees are eligible for participation after completing ninety days of service. The plan provides retirement, disability and death benefits to plan participants and beneficiaries and, is administered by Government Employee Benefits Corporation of Georgia. The provisions of the plan may be amended at any time and from time to time by written amendment approved by the County.

The County makes a base contribution to the 401(a) plan equal to one percent (1%) of each participating employee's salary. For employees participating in the deferred compensation program, the County will make an additional matching contribution to the 401(a) plan equal to one percent (1%) of the employee's contribution up to a maximum of two percent (2%) of the employee's salary. During the year ended June 30, 2012, the plan members contributed $24,870 and the County contributed $16,419 to the plan.

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

Deferred Compensation Plan:

The Lanier County Board of Commissioners offers all Lanier County employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457, as part of the match plan described in Note 7. The assets of the plans were held in trust, (custodial account or annuity contract) as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in Lanier County, Georgia's financial statements.

Other Pension Plans:

In addition to the above retirement plan, of which the County is administrator, the following retirement plans are in effect but are not under the direct control of the County:

1) Probate Judges' Retirement Fund of Georgia
2) Clerk of Superior Court Retirement Fund
3) Sheriffs' Retirement Fund/Peace Officers' Annuity and Benefit Fund

which provide for certain sums from marriage licenses, fees, fines and forfeitures to be remitted directly to the pension plans before the payment of any costs or other claims.

A copy of financial reports for these pension plans can be obtained at the following address:

GEBCorp
400 Galleria Parkway
Suite 1250
Atlanta, Georgia 30339

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Note 16 – Risk Financing Activities

The County may be subject to risk of loss due to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County covers these risk through the purchase of insurance coverage through the ACCG – Group Self-Insurance Workers' Compensation Fund and the ACCG – Interlocal Risk Management Agency. These are public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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

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

The County also carries commercial insurance for all risks of loss, including employee health, property and liability insurance programs.

Settled claims in the past three years have not exceeded the coverage. There was no significant reduction in insurance coverage from the prior year.

Note 17 – Prior Year Adjustments

	Governmental Activities		General Fund	2007 SPLOST Fund
Net Assets, Beginning of Year	$ 3,998,532	Fund Balance, Beginning of Year	$ 256,467	$ 124,210
Prior Year Adjustments:		Prior Year Adjustments:		
Correct sales tax accruals	(48,840)	Correct sales tax accruals	(21,745)	(27,095)
Net Assets, Restated	$ 3,949,692	Fund Balance, Restated	$ 234,722	$ 97,115

Sales tax accruals for the prior year were for two months and should have been for one month.

Note 18 – Subsequent Event

Subsequent events were evaluated through March 4, 2013, which is the date of the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending June 30, 2012

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
Taxes				
Regular ad valorem taxes	$ 2,312,294	$ 2,312,294	$ 2,303,481	$ (8,813)
Intangible recording taxes	38,097	38,097	35,147	(2,950)
Motor vehicle taxes	240,000	240,000	239,652	(348)
Mobile home taxes	61,000	61,000	61,234	234
Timber taxes	17,700	17,700	18,101	401
Interest and penalties	101,500	101,500	101,462	(38)
Local option sales tax	282,000	282,000	281,730	(270)
Real estate transfer tax	8,489	8,489	6,921	(1,568)
Insurance premium tax	280,000	280,000	280,740	740
Franchise tax	1,496	1,496	1,016	(480)
Beer and wine tax	41,300	41,300	41,280	(20)
	3,383,876	3,383,876	3,370,764	(13,112)
Licenses and Permits				
Alcohol licenses	2,300	2,300	2,300	-
Business licenses	18,150	18,150	15,937	(2,213)
Building permits	31,527	31,527	16,875	(14,652)
	51,977	51,977	35,112	(16,865)
Intergovernmental Revenues				
State public defender reimbursement	8,444	8,444	19,190	10,746
State Juvenile Court reimbursement	5,000	5,000	5,000	-
EMA grant	5,000	5,000	5,000	-
Nutrition grants	22,182	22,182	18,599	(3,583)
	40,626	40,626	47,789	7,163

See independent auditors' report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending June 30, 2012

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
Charges for Services				
Sheriff fees	70,461	70,461	67,663	(2,798)
Tax commissioners fees	89,700	89,700	90,238	538
Probate Judge fees	39,528	39,528	28,193	(11,335)
Magistrate Court fees	5,908	5,908	913	(4,995)
Clerk of Court fees	50,000	50,000	50,437	437
Animal control fees	1,300	1,300	1,318	18
Recreation fees	46,949	46,949	22,447	(24,502)
Qualifying fees	95	95	3,575	3,480
Culvert pipe fees	320	320	-	(320)
Map sales	345	345	404	59
Ramps and pipe	4,332	4,332	8,112	3,780
	308,938	308,938	273,300	(35,638)
Fines and Forfeitures				
Superior Court fines	60,000	60,000	60,631	631
Magistrate Court fines	12,500	12,500	12,557	57
Probate Judge fines	135,907	135,907	120,871	(15,036)
	208,407	208,407	194,059	(14,348)
Investment Income	3,082	3,082	3,125	43
Miscellaneous				
Rental income	12,600	12,600	13,800	1,200
Scrap tires and metals	3,969	3,969	5,835	1,866
Solid waste reimbursements	29,140	29,140	13,844	(15,296)
Other	15,294	15,294	5,610	(9,684)
	61,003	61,003	39,089	(21,914)
TOTAL REVENUES	**4,057,909**	**4,057,909**	**3,963,238**	**(94,671)**

See independent auditors’ report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending June 30, 2012

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
GENERAL GOVERNMENT				
Commissioners' Office				
Operating	210,000	210,000	202,799	(7,201)
Total	210,000	210,000	202,799	(7,201)
Courthouse / Administration				
Operating	302,977	482,977	479,458	(3,519)
Total	302,977	482,977	479,458	(3,519)
Sundry				
Operating	100,000	5,000	3,076	(1,924)
Total	100,000	5,000	3,076	(1,924)
Tax Commissioner				
Operating	149,000	153,000	152,686	(314)
Total	149,000	153,000	152,686	(314)
Tax Assessors				
Operating	129,000	129,000	122,187	(6,813)
Total	129,000	129,000	122,187	(6,813)
Public Buildings				
Operating	30,900	30,900	22,420	(8,480)
Total	30,900	30,900	22,420	(8,480)
Church Street Building				
Operating	2,500	3,000	2,840	(160)
Total	2,500	3,000	2,840	(160)
Oak Street Building				
Operating	15,450	20,950	20,796	(154)
Total	15,450	20,950	20,796	(154)
Elections				
Operating	40,554	48,554	47,668	(886)
Total	40,554	48,554	47,668	(886)
Total - General Government	**980,381**	**1,083,381**	**1,053,930**	**(29,451)**

See independent auditors’ report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending June 30, 2012

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
JUDICIAL				
Superior Court				
Operating	$ 145,830	$ 145,830	$ 135,289	$ (10,541)
	145,830	145,830	135,289	(10,541)
Public Defender				
Operating	34,255	42,255	41,575	(680)
	34,255	42,255	41,575	(680)
District Attorney				
Operating	15,900	15,900	13,846	(2,054)
	15,900	15,900	13,846	(2,054)
Magistrate Court				
Operating	44,828	44,828	43,906	(922)
	44,828	44,828	43,906	(922)
Probate Court				
Operating	146,027	154,027	153,466	(561)
	146,027	154,027	153,466	(561)
Juvenile Court				
Operating	14,603	28,703	28,614	(89)
	14,603	28,703	28,614	(89)
Law Library				
Operating	500	-	-	-
	500	-	-	-
Contingency				
Operating	100,000	-	-	-
	100,000	-	-	-
Total - Judicial	**501,943**	**431,543**	**416,696**	**(14,847)**

See independent auditors' report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending June 30, 2012

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
PUBLIC SAFETY				
Sheriff's Office				
Operating	586,877	725,077	724,933	(144)
Capital outlay	46,573	118,578	118,525	(53)
	633,450	843,655	843,458	(197)
Jail Board				
Operating	489,250	358,250	328,684	(29,566)
	489,250	358,250	328,684	(29,566)
Fire Department				
Operating	80,000	80,000	79,388	(612)
	80,000	80,000	79,388	(612)
Patten Detention Work Detail				
Operating	19,750	19,750	16,458	(3,292)
	19,750	19,750	16,458	(3,292)
Emergency Medical Services				
Operating	90,000	90,000	29,120	(60,880)
Capital outlay	-	-	21,685	21,685
	90,000	90,000	50,805	(39,195)
Emergency Management				
Operating	6,340	9,340	9,092	(248)
	6,340	9,340	9,092	(248)
Office of the Coroner				
Operating	12,500	12,500	10,228	(2,272)
	12,500	12,500	10,228	(2,272)
911 Services				
Operating	134,070	134,070	131,308	(2,762)
	134,070	134,070	131,308	(2,762)
South Georgia Drug Task Force				
Operating	6,290	6,340	6,292	(48)
	6,290	6,340	6,292	(48)
Animal Control				
Operating	37,400	39,400	38,733	(667)
	37,400	39,400	38,733	(667)
Total - Public Safety	**1,509,050**	**1,593,305**	**1,514,446**	**(78,859)**

See independent auditors’ report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending June 30, 2012

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
PUBLIC WORKS				
Roads Department				
Operating	517,904	430,254	207,028	(223,226)
Capital Outlay	107,646	107,646	4,598	(103,048)
	625,550	537,900	211,626	(326,274)
County Engineer				
Operating	5,000	-	-	-
	5,000	-	-	-
Solid Waste & Recycling				
Operating	24,500	24,500	18,633	(5,867)
	24,500	24,500	18,633	(5,867)
Total - Public Works	**655,050**	**562,400**	**230,259**	**(332,141)**
HEALTH AND WELFARE				
Nutrition Department				
Operating	31,000	36,000	35,744	(256)
	31,000	36,000	35,744	(256)
Public Health Department				
Operating	58,924	60,424	60,034	(390)
	58,924	60,424	60,034	(390)
Headstart				
Operating	500	500	236	500
	500	500	236	500
Department of Family and Children Services				
Operating	13,390	13,390	11,308	(2,082)
	13,390	13,390	11,308	(2,082)
Total - Health and Welfare	**103,814**	**110,314**	**107,322**	**(2,228)**
CULTURE AND RECREATION				
Recreation / Park Department				
Operating	87,700	130,700	130,344	(356)
Capital outlay	35,930	182,930	182,499	(431)
	123,630	313,630	312,843	(787)
W. L. Miller Library				
Operating	16,480	20,980	20,636	(344)
	16,480	20,980	20,636	(344)
Total - Culture and Recreation	**140,110**	**334,610**	**333,479**	**(1,131)**

See independent auditors' report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending June 30, 2012

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Final Budget Over (Under)
HOUSING AND DEVELOPMENT				
Forestry				
Operating	10,887	11,387	11,124	(263)
	10,887	11,387	11,124	(263)
Extension Agency				
Operating	86,174	86,174	85,454	(720)
	86,174	86,174	85,454	(720)
Code Enforcement				
Operating	5,000	5,000	1,833	(3,167)
	5,000	5,000	1,833	(3,167)
Soil Conservations				
Operating	1,000	1,000	912	(88)
	1,000	1,000	912	(88)
Chamber				
Operating	10,000	10,000	10,000	-
	10,000	10,000	10,000	-
Development Authority				
Operating	50,000	50,000	50,000	-
	50,000	50,000	50,000	-
Board of Equalization				
Operating	4,500	6,000	5,733	(267)
	4,500	6,000	5,733	(267)
Total - Housing and Development	**167,561**	**169,561**	**165,056**	**(4,505)**
TOTAL EXPENDITURES	**4,057,909**	**4,285,114**	**3,821,188**	**(463,162)**
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	**-**	**(227,205)**	**142,050**	**368,491**
OTHER FINANCING SOURCES (USES):				
Capital Lease Financing	-	227,205	227,205	-
TOTAL OTHER FINANCING SOURCES (USES)	**-**	**227,205**	**227,205**	**-**
FUND BALANCE, RESTATED	**-**	**-**	**234,722**	**234,722**
FUND BALANCE, END OF YEAR	**$ -**	**$ -**	**$ 603,977**	**$ 603,213**

See independent auditors' report.

LANIER COUNTY, GEORGIA
REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	$ 7,500	$ 7,500	$ 7,203	$ (297)
TOTAL REVENUES	7,500	7,500	7,203	(297)
EXPENDITURES				
Current:				
General government	7,500	7,500	-	(7,500)
TOTAL EXPENDITURES	7,500	7,500	-	(7,500)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	7,203	7,203
FUND BALANCE, RESTATED	-	-	172,949	172,949
FUND BALANCE, END OF YEAR	$ -	$ -	$ 180,152	$ 180,152

See independent auditors' report.

Note 1 – Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the Budgetary Basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedules of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual for the general and major special revenue funds are presented on the Budgetary Basis to provide a meaningful comparison of actual results with the budget. Beginning fund balances were budgeted under the Budgetary Basis.

COMBINING AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets.

Capital Projects 2007 Special Purpose Sales Tax Fund – To account for the special purpose local option sales tax that was approved by referendum. The revenue is restricted to the stated purposes of the referendum.

Capital Projects 2011 CDBG Fund – To account for the grant funds used for road improvements.

LANIER COUNTY, GEORGIA
2007 SPECIAL PURPOSE SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 339,577	$ 605,400	$ 563,433	$ (41,967)
Investment income	-	-	347	347
TOTAL REVENUES	339,577	605,400	563,780	(41,620)
EXPENDITURES				
Intergovernmental	-	-	212,302	212,302
Public works	339,577	605,400	392,794	(212,606)
TOTAL EXPENDITURES	339,577	605,400	605,096	(304)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	(41,316)	(41,316)
FUND BALANCE BEGINNING OF YEAR	-	-	97,115	97,115
FUND BALANCE END OF YEAR	$ -	$ -	$ 55,799	$ 55,799

See independent auditors’ report.

LANIER COUNTY, GEORGIA
2011 CDBG GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenue	$ 224,000	$ 224,000	$ 223,077	$ (923)
TOTAL REVENUES	224,000	224,000	223,077	(923)
EXPENDITURES				
Capital outlay	224,000	224,000	223,077	(923)
TOTAL EXPENDITURES	224,000	224,000	223,077	(923)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE BEGINNING OF YEAR	-	-	-	-
FUND BALANCE END OF YEAR	$ -	$ -	$ -	$ -

See independent auditors' report.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific purposes.

Burnt Church Fund – To account for funds received through donations to restore a church building.

Law Library Fund – To account for funds accessed with fines and designated for the maintenance of a law library

Jail Fund – To account for funds accessed with finds and designated for jail operations and prisoner housing.

Victim Assistance Fund – To account for accounts for fine income specified for victim assistance and the revenue is restricted for those purposes.

D.A.T.E. Fund – To account for fine income specified for drug addiction treatment and education

2006 Technology Grant Fund – To account for grant income specified for public safety equipment.

State Drug and State Seizure Fund – To account for funds received through drug seizures in cooperation with state agencies.

Federal Seizure Equitable Sharing Fund – To account for funds received through drug seizures in cooperation with federal agencies.

LANIER COUNTY, GEORGIA
ALL NONMAJOR FUNDS
COMBINING BALANCE SHEET
June 30, 2012

	Special Revenue Funds								
	Burnt Church Fund	Law Library Fund	Jail Fund	Victim Assistance Fund	D.A.T.E. Fund	2006 Technology Grant	State Drug And State Seizure Fund	Federal Seizure Equitable Sharing	Total
ASSETS									
Cash	$ 532	$ 19,114	$ 25,112	$ -	$ 16,973	$ 592	$ 1,924	$ 1,718	$ 65,965
Accounts receivable	-	-	1,464	-	88	-	-	-	1,552
TOTAL ASSETS	$ 532	$ 19,114	$ 26,576	$ -	$ 17,061	$ 592	$ 1,924	$ 1,718	$ 67,517
LIABILITIES AND FUND BALANCE									
LIABILITIES									
Interfund payable	-	-	26,576	-	-	-	-	-	26,576
TOTAL LIABILITIES	-	-	26,576	-	-	-	-	-	26,576
FUND BALANCES									
Restricted for:									
Law library	-	19,114	-	-	-	-	-	-	19,114
Burnt Church building	532	-	-	-	-	-	-	-	532
Drug education and treatment	-	-	-	-	17,061	-	-	-	17,061
Technology improvements	-	-	-	-	-	592	-	-	592
Drug enforcement	-	-	-	-	-	-	1,924	1,718	3,642
TOTAL FUND BALANCES	532	19,114	-	-	17,061	592	1,924	1,718	40,941
TOTAL LIABILITIES AND FUND BALANCES	$ 532	$ 19,114	$ 26,576	$ -	$ 17,061	$ 592	$ 1,924	$ 1,718	$ 67,517

See independent auditors' report.

LANIER COUNTY, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended June 30, 2012

	Special Revenue Funds								
	Burnt Church Fund	Law Library Fund	Jail Fund	Victim Assistance Fund	D.A.T.E. Fund	2006 Technology Grant	State Drug And State Seizure Fund	Federal Seizure Equitable Sharing	Total
REVENUES									
Fines and forfeitures	$ -	$ 8,927	$ 29,242	$ 187	$ 6,028	$ -	$ 14,795	$ -	$ 59,179
Intergovernmental revenue	-	-	-	-	-	42,679	-	-	42,679
Investment income	-	137	-	-	-	-	-	-	137
TOTAL REVENUES	-	9,064	29,242	187	6,028	42,679	14,795	-	101,995
EXPENDITURES									
Current:									
Judicial	-	12,235	-	1,768	-	-	-	-	14,003
Public safety	-	-	17,435	-	-	42,087	13,050	70	72,642
TOTAL EXPENDITURES	-	12,235	17,435	1,768	-	42,087	13,050	70	86,645
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	(3,171)	11,807	(1,581)	6,028	592	1,745	(70)	15,350
NET CHANGES IN FUND BALANCE	-	(3,171)	11,807	(1,581)	6,028	592	1,745	(70)	15,350
FUND BALANCE AT BEGINNING OF YEAR	532	22,285	(11,807)	1,581	11,033	-	179	1,788	25,591
FUND BALANCE AT END OF YEAR	$ 532	$ 19,114	$ -	$ -	$ 17,061	$ 592	$ 1,924	$ 1,718	$ 40,941

See independent auditors’ report.

LANIER COUNTY, GEORGIA
BURNT CHURCH FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	532	532	-	(532)
TOTAL REVENUES	532	532	-	(532)
EXPENDITURES				
Current:				
Legislative and executive	532	532	-	(532)
TOTAL EXPENDITURES	532	532	-	(532)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE BEGINNING OF YEAR	-	-	532	532
FUND BALANCE END OF YEAR	$ -	$ -	$ 532	$ 532

See independent auditors' report.

LANIER COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 12,235	$ 12,235	$ 8,927	$ (3,308)
Investment income	-	-	137	137
TOTAL REVENUES	12,235	12,235	9,064	(3,171)
EXPENDITURES				
Current:				
Judicial	12,235	12,235	12,235	-
TOTAL EXPENDITURES	12,235	12,235	12,235	-
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	(3,171)	(3,171)
FUND BALANCE BEGINNING OF YEAR	-	-	22,285	22,285
FUND BALANCE END OF YEAR	$ -	$ -	$ 19,114	$ 19,114

See independent auditors' report.

LANIER COUNTY, GEORGIA
JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 30,000	$ 30,000	$ 29,242	$ (758)
TOTAL REVENUES	30,000	30,000	29,242	(758)
EXPENDITURES				
Current:				
Public safety	30,000	30,000	17,435	(12,565)
TOTAL EXPENDITURES	30,000	30,000	17,435	(12,565)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	11,807	11,807
FUND BALANCE, BEGINNING OF YEAR	-	-	(11,807)	(11,807)
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

See independent auditors' report.

LANIER COUNTY, GEORGIA
VICTIM ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 1,800	$ 1,800	$ 187	$ (1,613)
TOTAL REVENUES	1,800	1,800	187	(1,613)
EXPENDITURES				
Current:				
Judicial	1,800	1,800	1,768	(32)
TOTAL EXPENDITURES	1,800	1,800	1,768	(32)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	(1,581)	(1,581)
FUND BALANCE BEGINNING OF YEAR	-	-	1,581	1,581
FUND BALANCE END OF YEAR	$ -	$ -	$ -	$ -

See independent auditors' report.

LANIER COUNTY, GEORGIA
D.A.T.E. FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 6,100	$ 6,100	$ 6,028	$ (72)
TOTAL REVENUES	6,100	6,100	6,028	(72)
EXPENDITURES				
Current:				
Health and welfare	6,100	6,100	-	(6,100)
TOTAL EXPENDITURES	6,100	6,100	-	(6,100)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	6,028	6,028
FUND BALANCE BEGINNING OF YEAR	-	-	11,033	11,033
FUND BALANCE END OF YEAR	$ -	$ -	$ 17,061	$ 17,061

See independent auditors' report.

LANIER COUNTY, GEORGIA
2006 TECHNOLOGY GRANT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenue	$ 43,000	$ 43,000	$ 42,679	$ (321)
TOTAL REVENUES	43,000	43,000	42,679	(321)
EXPENDITURES				
Current:				
Public safety	43,000	43,000	42,087	(913)
TOTAL EXPENDITURES	43,000	43,000	42,087	(913)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	592	592
FUND BALANCE BEGINNING OF YEAR	-	-	-	-
FUND BALANCE END OF YEAR	$ -	$ -	$ 592	$ 592

See independent auditors’ report.

LANIER COUNTY, GEORGIA
STATE DRUG AND STATE SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 15,000	$ 15,000	$ 14,796	$ (204)
TOTAL REVENUES	15,000	15,000	14,796	(204)
EXPENDITURES				
Current:				
Public safety	15,000	15,000	13,051	(1,949)
TOTAL EXPENDITURES	15,000	15,000	13,051	(1,949)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	1,745	1,745
FUND BALANCE BEGINNING OF YEAR	-	-	179	179
FUND BALANCE END OF YEAR	$ -	$ -	$ 1,924	$ 1,924

See independent auditors' report.

LANIER COUNTY, GEORGIA
FEDERAL SEIZURE EQUITABLE SHARING FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ -	$ -	$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Current:				
Public safety	100	100	70	(30)
TOTAL EXPENDITURES	100	100	70	(30)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	(100)	(100)	(70)	30
FUND BALANCE BEGINNING OF YEAR	100	100	1,788	1,688
FUND BALANCE END OF YEAR	$ -	$ -	$ 1,718	$ 1,718

See independent auditors' report.

FIDUCIARY FUNDS

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

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

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

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

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

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

LANIER COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
June 30, 2012

	AGENCY FUNDS					
	TAX COMMISSIONER	PROBATE JUDGE	CLERK OF SUPERIOR COURT	OFFICE OF SHERIFF	MAGISTRATE COURT	TOTAL
ASSETS						
Cash	$ 390,651	$ 20,002	$ 77,421	$ 4,744	$ 6,220	$ 499,038
TOTAL ASSETS	$ 390,651	$ 20,002	$ 77,421	$ 4,744	$ 6,220	$ 499,038
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Due to others	$ 390,651	$ 20,002	$ 77,421	$ 4,744	$ 6,220	$ 499,038
TOTAL LIABILITIES	$ 390,651	$ 20,002	$ 77,421	$ 4,744	$ 6,220	$ 499,038
NET ASSETS	$ -	$ -	$ -	$ -	$ -	$ -

See independent auditors’ report.

LANIER COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
For The Year Ending June 30, 2012

		Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
OFFICE OF TAX COMMISSIONER					
ASSETS					
Cash		$ 261,782	$ 6,457,718	$ 6,328,849	$ 390,651
	TOTAL ASSETS	$ 261,782	$ 6,457,718	$ 6,328,849	$ 390,651
LIABILITIES					
Due to others		$ 261,782	$ 6,457,718	$ 6,328,849	$ 390,651
	TOTAL LIABILITIES	$ 261,782	$ 6,457,718	$ 6,328,849	$ 390,651
PROBATE JUDGE					
ASSETS					
Cash		$ 18,247	$ 227,625	$ 225,870	$ 20,002
	TOTAL ASSETS	$ 18,247	$ 227,625	$ 225,870	$ 20,002
LIABILITIES					
Due to others		$ 18,247	$ 227,625	$ 225,870	$ 20,002
	TOTAL LIABILITIES	$ 18,247	$ 227,625	$ 225,870	$ 20,002
CLERK OF COURT					
ASSETS					
Cash		$ 72,394	$ 337,126	$ 332,100	$ 77,421
	TOTAL ASSETS	$ 72,394	$ 337,126	$ 332,100	$ 77,421
LIABILITIES					
Due to others		$ 72,391	$ 337,126	$ 332,100	$ 77,421
	TOTAL LIABILITIES	$ 72,391	$ 337,126	$ 332,100	$ 77,421

See independent auditors' report.

LANIER COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
For The Year Ending June 30, 2012

		Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
OFFICE OF SHERIFF					
ASSETS					
Cash		$ 3,506	$ 95,791	$ 94,552	$ 4,744
	TOTAL ASSETS	$ 3,506	$ 95,791	$ 94,552	$ 4,744
LIABILITIES					
Due to others		$ 3,506	$ 95,791	$ 94,552	$ 4,744
	TOTAL LIABILITIES	$ 3,506	$ 95,791	$ 94,552	$ 4,744
MAGISTRATE COURT					
ASSETS					
Cash		$ 5,877	$ 102,212	$ 101,869	$ 6,220
	TOTAL ASSETS	$ 5,877	$ 102,212	$ 101,869	$ 6,220
LIABILITIES					
Due to others		$ 5,877	$ 102,212	$ 101,869	$ 6,220
	TOTAL LIABILITIES	$ 5,877	$ 102,212	$ 101,869	$ 6,220

See independent auditors’ report.

COMPLIANCE SECTION

LANIER COUNTY, GEORGIA
SCHEDULE OF PROJECTS FUNDED BY SPECIAL PURPOSE SALES TAX PROCEEDS
For The Year Ended June 30, 2012

	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
2007 SPLOST					
Roads, streets and bridge purposes	$ 3,115,000	$ 1,431,960	$ 392,794	$ 1,824,754	58.58%
City of Lakeland	1,885,000	721,473	212,302	933,775	49.54%
Totals	$ 5,000,000	$ 2,153,433	$ 605,096	$ 2,758,529	

See independent auditors' report.

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Development Block Grant

Lanier County, Georgia

11P-y-086-1-5393

For the Period Ending: June 30, 2012
Cumulative

I. Total Fiscal Year 2011 CDBG Funds Awarded to Recipient:	$	460,622
II. Total Amount of Drawdown by Recipient from DCA:	$	223,077
III. Less: CDBG Funds Expended by Recipient:	$	223,077
IV. Amount of Fiscal Year 2011 CDBG Funds held by Recipient:	$	-

See independent auditors' report.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE

Recipient: Lanier County, Georgia

Grant #: 11P-y-086-1-5393

For the Period Ending: June 30, 2012

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulative CDBG Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total of Expenditures To Date	Questioned Costs
Street Improvements	P-03K-01	$ 127,212	$ 3,200	$ -	$ 3,200	$ -
Contingencies	C-022-00	$ 23,620	$ -	$ -	$ -	$ -
Flood and Drainage Facilities	P-03K-02	$ 282,153	$ 204,877	$ -	$ 204,877	$ -
Administration	A-21A-00	$ 27,637	$ 15,000	$ -	$ 15,000	$ -
TOTAL		$ 460,622	$ 223,077	$ -	$ 223,077	$ -

See independent auditors' report.

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 County Commissioners
Lanier County, Georgia

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lanier County, Georgia as of and for the year ended June 30, 2012 which collectively comprise the County's basic financial statements and have issued our report thereon, dated March 4, 2013. 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.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting noted as 2012-1. 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.

Compliance and Other Matters

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

Lanier County, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Lanier County, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, management, the State of Georgia Department of Audits and is not intended to be and should not be used by anyone other than these specified parties.

Tillman & Tillman, LLP

Valdosta, Georgia
March 4, 2013

LANIER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
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 weakness identified?	______ Yes	X No
Significant deficiencies identified not considered to be material weakness?	X Yes	______ None reported
Noncompliance material to financial statements noted?	X Yes	______ No

Section II – Financial Statement Findings

Current Year Findings

2012-1 – Criteria – Lack of Segregation of Duties

Internal control systems are typically more effective when the number of employees is sufficient to create a proper separation of duties.

2012-1 – Condition

Due to the limited number of employees in each of the County's offices, there is not a proper separation of duties to create an effective system of internal control. This condition is common in most local government units.

2012-1 – Cause

Due to budget constraints of small governments, the addition of more personnel is difficult to obtain the proper level of segregation of duties.

2012-1 – Effect

Transactions might not be processed in conformity with the internal control system of the County and, if material, the financial statements might not conform with generally accepted accounting principles and-or lack of compliance with applicable laws and regulation could occur.

2012-1 Recommendation

While it may not be practical to hire sufficient personnel to create a more effective system of internal control in each office, we do recommend that the elected officials of each office be made aware of this condition and that it is their responsibility to monitor activities of their respective office and to properly account for all transactions of said office.

2012-1 – Management Response

Management shall stress again to the Elected Officials the importance of this finding. The County Clerk gives each office/department monthly a report of the budgeted expenditures by the month and year. It is the supervisor or elected official’s responsibility to monitor and review reports given to the office on a monthly basis. This is needed for compliance with County policies and procedures and applicable laws and regulations.

Prior Year Findings:

2012-1 was also a finding in the prior year.