LANIER COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For The Year Ended June 30, 2016

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Tillman & Tillman, LLP
Certified Public Accountants & Consultants

Joseph H. Tillman, CPA
H. Harrison Tillman, Jr., CPA
Pamela K. Tillman, CPA
Eric M. Tillman, CPA
Angela M. Hawkins, CPA
H. Harrison Tillman, Sr., CPA (1927-2010)

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INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Lanier County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lanier County, Georgia as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

3269 N. Valdosta Road ■ P. O. Box 3488 ■ Valdosta, GA 31604-3488 ■ (229) 259-9490 ■ Fax (229) 259-9491
Members AICPA and GSCPA

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lanier County, Georgia, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–10 and 38–44 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.

Other Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise Lanier County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and budget schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2016, on our consideration of the Lanier County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lanier County, Georgia's internal control over financial reporting and compliance.

Tillman & Tillman, LLP

Tillman & Tillman, LLP

Valdosta, Georgia
December 28, 2016

LANIER COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2016

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, 2016. 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 FY16 are as follows:

The County's total net position increased by $709,053.

The County's governmental fund assets exceeded its liabilities and deferred inflows of resources at June 30, 2016 by $7,514,461 (net position). Of this amount $2,515,217 (unrestricted net position) 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 $236,795, resulting in a fund balance of $2,301,983.

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 Position and the Statement of Activities

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. The statement of activities presents information showing how the County's net position 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 position 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 position 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 Position:

Lanier County's Net Position

	Governmental Activities		Total
	2015 Restated	2016	Percentage Change
Assets			
Current and other assets	$ 3,014,483	$ 3,557,859	18.03%
Capital assets, net	4,678,529	4,653,806	-0.53%
Total Assets	**7,693,012**	**8,211,665**	6.74%
Liabilities			
Current and other liabilities	241,514	44,068	-81.75%
Long-term liabilities	643,686	650,732	1.09%
Total Liabilities	**885,200**	**694,800**	-21.51%
Deferred Inflows of Resources	2,404	2,404	0.00%
Net Position			
Net investment in capital assets	4,059,557	4,029,272	-0.75%
Restricted	518,325	969,972	87.14%
Unrestricted	2,227,526	2,515,217	12.92%
Total Net Position	**$ 6,805,408**	**$ 7,514,461**	10.42%

As noted earlier, the County's net position, 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 and deferred inflows of resources by $7,514,461 as of June 30, 2016. A large portion of the County's net position (54%) 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 position (13%) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets (33%) may be used to meet the County's ongoing obligations to citizens and creditors.

The next table shows the changes in net position for the year ending June 30, 2016.

Changes in Lanier County's Net Position

	Governmental Activities 2015 Restated		Governmental Activities 2016		Total Percentage Change
Revenues					
Program Revenues					
Charges for services	$	852,987	$	760,898	-10.80%
Operating grants and contributions		58,925		43,075	-26.90%
Capital grants and contributions		195,666		195,538	100.00%
Total Program Revenues		1,107,578		999,511	-9.76%
General Revenues					
Property taxes		2,742,546		2,939,482	7.18%
Sales taxes		789,946		798,552	1.09%
Timber taxes		40,593		51,619	27.16%
Insurance premium taxes		328,867		352,165	7.08%
Other taxes		67,346		69,502	3.20%
Interest, penalties and costs - taxes		66,866		88,436	32.26%
Miscellaneous		166,905		107,667	100.00%
Total General Revenues		4,203,069		4,407,423	4.86%
Total Revenues		**5,310,647**		**5,406,934**	**1.81%**
Expenses					
Governmental Activities:					
General Government					
Legislative and executive	$	1,152,670	$	1,191,198	3.34%
Judicial		443,750		430,133	-3.07%
Public safety		1,579,805		1,659,348	5.03%
Public works		881,903		909,955	3.18%
Health and welfare		126,752		122,274	-3.53%
Culture and recreation		156,117		172,950	10.78%
Housing and development		200,295		206,460	100.00%
Interest on long-term debt		6,561		5,563	-15.21%
Total Expenses		**4,547,853**		**4,697,881**	**3.30%**
Change in Net Position		**762,794**	**$**	**709,053**	**-7.05%**
Net Position, Beginning		6,042,614		6,805,408	12.62%
Net Position, Ending	**$**	**6,805,408**	**$**	**7,514,461**	**10.42%**

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 2015	Total Cost of Services 2016	Percentage Change 2015-2016	Net Cost of Services 2015	Net Cost of Services 2016	Percentage Change 2015-2016
General Government						
Legislative and executive	$ 1,152,670	$ 1,191,198	3.34%	$ 955,340	$ 989,356	3.56%
Judicial	443,750	430,133	-3.07%	90,113	138,876	54.11%
Public safety	1,579,805	1,659,348	5.03%	1,408,104	1,437,756	2.11%
Public works	881,903	909,955	3.18%	623,441	680,370	9.13%
Health and welfare	126,752	122,274	-3.53%	93,388	94,837	1.55%
Culture and recreation	156,117	172,950	10.78%	113,806	145,152	27.54%
Housing and development	200,295	206,460	100.00%	200,295	206,460	3.08%
Interest on long-term debt	6,561	5,563	-15.21%	6,561	5,563	-15.21%
Total	**$ 4,547,853**	**$ 4,697,881**	**3.30%**	**$ 3,491,048**	**$ 3,698,370**	**5.94%**

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, unrestricted 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, 2016, the County's governmental funds reported a combined ending fund balance of $3,271,955, an increase of $691,013.

The General Fund is the primary operating fund of the County. At the end of June 30, 2016, the unassigned fund balance was $ 2,232,771.

Budgetary Highlights

By State statute, the Board of County Commissioners adopts the annual operating budget for the fiscal year on or before the first day of the fiscal year. Changes were made to the adopted budget in some departments due to greater than expected expenditures and other department expenditures that were lower than originally budgeted including the sundry budget. A large variance was present in the roads department due to the need to acquire two motor graders through capital leases which were not budgeted in the original budget.

Capital Assets

The County's investment in capital assets for governmental as of June 30, 2016, was $4,029,272 (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 FY16 included the acquisition of a grader for the road department, completion of paving projects, and building improvements.

Note 7 (Capital Assets) provides additional information about capital asset activity during FY16.

Debt

At June 30, 2016, the County had total capital lease debt outstanding of $624,534.

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 sales taxes declined 1.09% in FY16.

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 POSITION
June 30, 2016

	Primary Government		Component Unit
	Governmental Activities	Total	Lanier County Board of Health
ASSETS			
Cash	$ 2,929,958	$ 2,929,958	$ 216,095
Prepaid items	69,212	69,212	-
Taxes receivable	259,625	259,625	-
Accounts receivable	86,501	86,501	-
Note receivable	141,761	141,761	-
Due from other governments	70,802	70,802	2,975
Nondepreciable capital assets	257,028	257,028	-
Depreciable capital assets, net	4,396,778	4,396,778	-
TOTAL ASSETS	8,211,665	8,211,665	219,070
DEFERRED OUTFLOWS OF RESOURCES			
Proportionate share of collective deferred outflows of resources	-	-	26,788
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	26,273	26,273	-
Due to other governments	17,795	17,795	-
NONCURRENT LIABILITIES:			
Due within one year:			
Capital leases payable	119,341	119,341	-
Compensated absences	15,719	15,719	4,696
Due in more than one year:			
Capital leases payable	505,193	505,193	-
Compensated absences	10,479	10,479	3,130
Net pension obligation liability	-	-	111,738
TOTAL LIABILITIES	694,800	694,800	119,564
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	2,404	2,404	14,375
COMBINED LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 697,204	$ 697,204	$ 133,939
NET POSITION			
Net investment in capital assets	4,029,272	4,029,272	-
Restricted for:			
Capital projects	518,508	518,508	-
Economic improvement loans	183,698	183,698	-
Jail operations	688	688	-
Drug enforcement	228,169	228,169	-
Drug education and treatment	4,497	4,497	-
Victim assistance	2,638	2,638	-
Law library	31,774	31,774	-
Prior year program income	-	-	82,381
Unrestricted	2,515,217	2,515,217	29,538
TOTAL NET POSITION	$ 7,514,461	$ 7,514,461	$ 111,919

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

LANIER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2016

		Program Revenues		
FUNCTION/PROGRAM	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Primary Government:				
GOVERNMENTAL ACTIVITIES				
General government				
Legislative	$ 1,191,198	$ 196,527	$ 5,315	$ -
Judicial	430,133	289,586	1,671	-
Public Safety	1,659,348	216,092	5,500	-
Public Works	909,955	30,815	3,232	195,538
Health and Welfare	122,274	6,613	20,824	-
Culture and Recreation	172,950	21,265	6,533	-
Housing and Development	206,460	-	-	-
Interest on Long-term Debt	5,563	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	4,697,881	760,898	43,075	195,538
TOTAL PRIMARY GOVERNMENT	$ 4,697,881	760,898	43,075	195,538
COMPONENTS UNITS				
Lanier County Board of Health	$ 222,181	$ 82,381	$ 203,166	$ -
TOTAL COMPONENT UNITS	$ 222,181	$ 82,381	$ 203,166	$ -

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

TOTAL GENERAL REVENUES

CHANGES IN NET POSITION

NET POSITION,RESTATED

NET POSITION, END OF YEAR

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

Primary Government		Component Unit
Governmental Activities	Total	Lanier County Board of Health
$ (989,356)	$ (989,356)	$ -
(138,876)	(138,876)	-
(1,437,756)	(1,437,756)	-
(680,370)	(680,370)	-
(94,837)	(94,837)	-
(145,152)	(145,152)	-
(206,460)	(206,460)	-
(5,563)	(5,563)	-
(3,698,370)	(3,698,370)	-
(3,698,370)	(3,698,370)	-
$ -	$ -	$ 63,366
$ -	$ -	$ 63,366
2,939,482	2,939,482	-
51,619	51,619	-
798,552	798,552	-
12,821	12,821	-
352,165	352,165	-
20,871	20,871	-
3,368	3,368	-
32,442	32,442	-
88,436	88,436	-
107,667	107,667	-
4,407,423	4,407,423	-
709,053	709,053	63,366
6,805,408	6,805,408	48,553
$ 7,514,461	$ 7,514,461	$ 111,919

Activities

LANIER COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016

	General Fund	Special Purpose Sales Tax Fund	Other Governmental Funds	Total
ASSETS				
Cash	$ 1,961,365	$ 467,395	$ 502,051	$ 2,930,811
Prepaid items	69,212	-	-	69,212
Taxes receivable	259,625	-	-	259,625
Notes receivable	-	-	141,761	141,761
Accounts receivable	83,568	-	2,933	86,501
Due from other governments	23,600	47,202	-	70,802
Interfund receivable	172,722	-	-	172,722
TOTAL ASSETS	2,570,092	514,597	646,745	3,731,434
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	26,272	-	853	27,125
Due to other governments	-	17,795	-	17,795
Interfund payable	-	172,722	-	172,722
TOTAL LIABILITIES	26,272	190,517	853	217,642
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	241,837	-	-	241,837
TOTAL DEFERRED INFLOWS OF RESOURCES	241,837	-	-	241,837
FUND BALANCES				
Nonspendable for:				
Prepaid items	69,212	-	-	69,212
Restricted for:				
Capital projects	-	324,080	194,428	518,508
Jail operations	-	-	688	688
Economic improvement loans	-	-	183,698	183,698
Drug enforcement	-	-	228,169	228,169
Drug education and treatment	-	-	4,497	4,497
Victim assistance	-	-	2,638	2,638
Law library	-	-	31,774	31,774
Unassigned reported in:				
General Fund	2,232,771	-	-	2,232,771
TOTAL FUND BALANCES	2,301,983	324,080	645,892	3,271,955
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,570,092	$ 514,597	$ 646,745	$ 3,731,434

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

LANIER COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2016

Total Governmental Fund Balances		$ 3,271,955
Amounts report for governmental activities on the statement of net position 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	$ 7,964,078	
Less accumulated depreciation	(3,310,272)	4,653,806
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental activities.		
Capital leases payable	(624,534)	
Accrued compensated absences	(26,198)	(650,732)
Deferred revenue in governmental activities are susceptible to full accrual in the government-wide statement of net position.		
Deferred revenues		239,432
Net Position of Governmental Activities		$ 7,514,461

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

LANIER COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
For The Year Ended June 30, 2016

	General Fund	Special Purpose Sales Tax Fund	Other Governmental Funds	Total
REVENUES				
Taxes	$ 3,717,958	$ 532,369	$ -	$ 4,250,327
Licenses and permits	64,087	-	-	64,087
Intergovernmental revenues	32,857	-	194,428	227,285
Charges for services	308,550	-	-	308,550
Fines and forfeitures	177,512	-	189,299	366,811
Investment income	5,315	1,109	3,320	9,744
Miscellaneous	49,694	-	-	49,694
TOTAL REVENUES	4,355,973	533,478	387,047	5,276,498
EXPENDITURES				
Current:				
General Government				
Legislative and executive	1,172,045	-	-	1,172,045
Judicial	418,851	-	11,280	430,131
Public safety	1,543,717	-	59,237	1,602,954
Public works	493,136	122,489	68,057	683,682
Health and welfare	112,619	-	4,541	117,160
Culture and recreation	152,365	-	-	152,365
Housing and development	206,461	-	-	206,461
Intergovernmental	-	200,703	-	200,703
Capital Outlay	-	127,500	-	127,500
Debt Service				
Principle retirement	14,421	-	-	14,421
Interest	5,563	-	-	5,563
TOTAL EXPENDITURES	4,119,178	450,692	143,115	4,712,985
EXCESS OF REVENUES (UNDER) EXPENDITURES	236,795	82,786	243,932	563,513
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	-	(70,628)	70,628	-
Capital Lease Financing	-	127,500	-	127,500
TOTAL OTHER FINANCING SOURCES (USES)	-	56,872	70,628	127,500
NET CHANGE IN FUND BALANCE	236,795	139,658	314,560	691,013
FUND BALANCE, BEGINNING OF YEAR	2,065,188	184,422	331,332	2,580,942
FUND BALANCE, END OF YEAR	$ 2,301,983	$ 324,080	$ 645,892	$ 3,271,955

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, 2016

Net Change in Fund Balances - Total Governmental Funds		$ 691,013
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	288,381	
Current year depreciation expense	(313,104)	(24,723)
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	49,809	
Capital lease financing	(127,500)	(77,691)
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:		
Compensated absences	(1,484)	(1,484)
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		121,938
Change in Net Position of Governmental Activities		$ 709,053

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

LANIER COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2016

	Agency Funds
ASSETS	
Cash	$ 572,615
TOTAL ASSETS	$ 572,615
LIABILITIES	
Due to others	$ 572,615
TOTAL LIABILITIES	572,615
NET POSITION	$ -

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 $53,924 in funding to the Board of Health for the year ending June 30, 2016.

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 $6,483 to the Regional Commission for the year ended June 30, 2016. 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 a 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 position 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 position 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 position 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.

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.

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Note 2 - Summary of Significant Accounting Policies - Continued

B. Fund Accounting – Continued

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 2012 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.

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.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. 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 position.

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Note 2 - Summary of Significant Accounting Policies - Continued

C. Measurement Focus - Continued

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.

Revenues—Exchange and Nonexchange Transactions

Revenue 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.

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Note 2 - Summary of Significant Accounting Policies - Continued

Revenues—Exchange and Nonexchange Transactions - Continued

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 Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenue, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category on the governmental fund balance sheet.

Property taxes for which there was an enforceable legal claim at June 30, 2016, but were levied to finance FY16 operations, have been recorded as deferred inflows of resources.

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

Funds donated to the County for recreation capital improvements but which were not used in FY16 has been recognized as deferred inflows of resources on the statement of net position and governmental fund financial statements.

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.

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.

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Note 2 - Summary of Significant Accounting Policies – Continued

E. Budgetary Process - Continued

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.

H. Prepaid Items

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

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Note 2 - Summary of Significant Accounting Policies - Continued

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 position 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 for which the County chose to include all such items regardless of their acquisition date. The County was able to estimate the historical cost of the governmental activities infrastructure for the initial reporting of those assets. 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.

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 position.

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Note 2 - Summary of Significant Accounting Policies - Continued

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 Position

Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets 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 position 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 position is available.

P. Fund Equity

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

Fund Balance

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

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

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Note 2 - Summary of Significant Accounting Policies - Continued

P. Fund Equity - Continued

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

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

Assigned: Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's Finance Director to assign fund balances.

Unassigned: Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. Positive unassigned fund balance may be reported only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions
When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: Committed, Assigned, Unassigned.

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

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

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

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Note 2 - Summary of Significant Accounting Policies - Continued

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. Management 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.

Note 3 - Deposits 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, 2016 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	$ 23,600
Total - General Fund	$ 23,600
Capital Project Funds	
2012 SPLOST Fund	
Georgia Department of Revenue	$ 47,202
Total - Due From Other Governments	$ 70,802

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Note 5 – Interfund Balances and Transfers

The composition of interfund balances and transfers as of June 30, 2016 is as follows:

	Interfund Receivable	Interfund Payable	Transfer In	Transfer Out
General Fund				
2012 SPLOST Fund	$ 172,722	$ -	$ -	$ -
	172,722	-	-	-
2012 SPLOST Fund				
General Fund	-	172,722	-	-
Public Roads Fund	-	-	-	70,628
	-	172,722	-	70,628
Public Roads Fund				
2012 SPLOST Fund	-	-	70,628	-
Total Governmental Funds	$ 172,722	$ 172,722	$ 70,628	$ 70,628

Funds used for the local match for LMIG funding were paid from the General Fund and is due back from the SPLOST Fund. Funds were transferred from the SPLOST Fund to the Public Roads Fund to cover the local match required for LMIG funding.

Note 6- 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 County of Lakeland for taxes on motor vehicles and mobile homes owned by County residents. Georgia State 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 7 – Capital Assets

A summary of the changes in general capital assets for the year ended June 30, 2016 is as follows:

	Balance at July 1, 2015	Prior Year Adjustment	Additions	Reductions	Balance at June 30, 2016
Primary Government					
Governmental Activities:					
Nondepreciable Capital Assets:					
Land and improvements	$ 245,296	$ -	$ -	$ -	$ 245,296
Construction in progress	435,980	50,773	11,732	486,753	11,732
Total Nondepreciable Capital Assets	681,276	50,773	11,732	486,753	257,028
Depreciable Capital Assets:					
Buildings and building improvements	$ 1,641,404	$ -	$ 46,141	$ -	$ 1,687,545
Infrastructure	2,071,026	-	554,705	-	2,625,731
Paving, landscaping and improvements	331,790	-	-	-	331,790
Vehicles	866,955	-	22,000	-	888,955
Machinery and equipment	2,032,473	-	140,556	-	2,173,029
Total Depreciable Capital Assets	6,943,648	-	763,402	-	7,707,050
Less Accumulated Depreciation for:					
Buildings and building improvements	887,417	-	46,582	-	933,999
Infrastructure	203,140	-	46,968	-	250,108
Paving, landscaping and improvements	186,563	-	16,109	-	202,672
Vehicles	622,882	-	40,045	-	662,927
Machinery and equipment	1,097,166	-	163,400	-	1,260,566
Total Accumulated Depreciation	2,997,168	-	313,104	-	3,310,272
Total Depreciable Capital Assets, Net	3,946,480	-	450,298	-	4,396,778
Governmental Activities Capital Assets, Net	$ 4,627,756	$ 50,773	$ 462,030	$ 486,753	$ 4,653,806

Depreciation was charged to governmental functions as follows:

Governmental activities:	
General Government	
Legislative and Executive	$ 63,811
Public Safety	93,181
Public Works	130,411
Health and Welfare	5,115
Culture and Recreation	20,586
Total Depreciation Expense - Governmental Activities	$ 313,104

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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, 2015	Additions	Reductions	Balance at June 30, 2016	Amount Due In One Year
Primary Government:					
Governmental Activities:					
Compensated absences	$ 24,714	$ 16,312	$ 14,828	$ 26,198	$ 15,719
Total Primary Government	$ 24,714	$ 16,312	$ 14,828	$ 26,198	$ 15,719
Component Unit - Board of Health:					
Compensated absences	$ 5,473	$ 5,090	$ 2,737	$ 7,826	$ 4,696

Note 9 - Long-Term Debt

The following is a summary of the debt transactions of the County for the fiscal year ended June 30, 2016:

	Balance at June 30, 2015	Additions	Reductions	Balance at June 30, 2016	Amount Due In One Year
Governmental Activities					
Capital leases	$ 618,972	$ 127,500	$ 121,938	$ 624,534	$ 119,341
Total Governmental Activities	$ 618,972	$ 127,500	$ 121,938	$ 624,534	$ 119,341

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	Park Lights	2012	5.45%	$ 150,000	2021
Capital Lease	Motor Graders	2013	2.14%	$ 383,902	2018
Capital Lease	Excavator	2013	2.30%	$ 83,826	2017
Capital Lease	Mower with side arm boom	2014	2.24%	$ 74,000	2018
Capital Lease	Motor Grader	2014	2.40%	$ 198,647	2019

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Note 9 - Long-Term Debt - Continued

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
2017	$	119,341	$	15,014
2018		361,088		11,194
2019		74,055		4,499
2020		44,406		2,545
2021		25,644		1,083
Total	$	624,534	$	34,335

The assets acquired through capital leases are as follows:

		Total Governmental Activities
Asset:		
Equipment	$	1,037,875
Less: accumulated depreciation		(275,686)
Total	$	762,189

The amortization expense of these capital lease assets for FY16 was $91,707 and is included with the depreciation expense.

Note 10 – Component Unit

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".

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Note 10 – Component Units - Continued

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, 2016, was as follows:

Equipment	$ 28,679
Less Accumulated Depreciation	(28,679)
Net Property and Equipment	$ 0

Lanier County Board of Health Pension Plan

General Information about the Employees Retirement System

Plan description: ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

Benefits provided: The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions: Member contributions under the old plan are 4% of annual contribution, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the old plan, the state pays member contribution in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes are used in the computation of the members' earnable compensation

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Note 10 – Component Unit - Continued

Lanier County Board of Health Pension Plan - Continued

for the purposes of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Board of Health's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for the old and new plan members and 21.69% for GSEPS members. The Board of Health contributions to ERS totaled $19,262 for the year ended June 30, 2016. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Board of Health reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The Board of Health's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2015. At June 30, 2015 the Employer's proportion was 0.002758%, which was an increase of .000073% from its portions measured as of June 30, 2014.

For the year ended June 30, 2016, the Board of Health recognized pension expense of $19,262. At June 30, 2016 the Board of Health reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 893
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	8,062
Changes in proportion and differences between Employer contributions and proportion share of contributions	2,044	5,420
Employer contributions subsequent to the measurement date	19,262	-
Total	$ 21,306	$ 14,375

Board of Health contributions subsequent to the measurement date of $19,262 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2017	$ 8,247
2018	(3,209)
2019	(3,593)
2020	2,718
2021	-
Thereafter	-

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Note 10 – Component Unit - Continued

Lanier County Board of Health Pension Plan - Continued

Actuarial assumptions: The total pension liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2014 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.45% - 9.25%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	**Target allocation**	**Long-term expected real rate of return***
Fixed income	30.00%	3.00%
Domestic large equities	39.70%	6.50%
Domestic mid equities	3.70%	10.00%
Domestic small equities	1.60%	13.00%
International developed market equities	18.90%	6.50%
International emerging market equities	6.10%	11.00%
Total	100.00%	

* Rates shown are net of the 3.00% assumed rate of inflation

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Note 10 – Component Unit - Continued

Lanier County Board of Health Pension Plan - Continued

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board of Health's proportionate share of the net pension liability to changes in the discount rate: The following presents the Board of Health's proportionate share of the net pension liability calculated using the discount rate of 7.50% as well as the Board of Health's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability	158,392	111,738	71,963

Note 11 – 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 $14,850 for the year ending June 30, 2016. 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 $60,000 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 $85,762 for the year ending June 30, 2016.

Note 12 – Contingent Liabilities

There was no pending litigation, claims, or assessments against the County at June 30, 2016. 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.

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Note 13 – 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.

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, 2016, the plan members contributed $19,920 and the County contributed $15,538 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.

A copy of additional financial information from the Plan financial reports can be obtained from GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

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) Judges of the Probate Court Retirement Fund of Georgia
2) Clerk of Superior Court Retirement Fund
3) Sheriffs' Retirement Fund of Georgia
4) Peace Officers' Annuity and Benefit Fund of Georgia
5) Magistrates Retirement Fund of Georgia

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Note 13 – Retirement Benefits - Continued

Other Pension Plans

These plans 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. GASB #68 valuation reports and schedules can be found on their respective web sites.

Note 14 – 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 15 – Prior Year Adjustment

A prior year adjustment was made to the net position to correct construction in progress from the prior year:

		Govermental Activities
Net Position, Beginning of Year	$	6,754,635
Prior Year Adjustments:		
Correct construction in progress		50,773
Net Position, Restated	$	6,805,408

Note 16 – Subsequent Event

Subsequent events were evaluated through December 28, 2016, which is the date of the financial statements were available to be issued.

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REQUIRED SUPPLEMENTAL INFORMATION

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 3,851,731	$ 3,884,731	$ 3,717,958	$ (166,773)
Licenses and permits	41,000	41,000	64,087	23,087
Intergovernmental Revenues	12,900	12,900	32,857	19,957
Charges for services	110,641	228,641	308,550	79,909
Fines and forfeitures	104,279	104,279	177,512	73,233
Investment income	5,900	5,900	5,315	(585)
Miscellaneous	65,605	65,605	49,694	(15,911)
TOTAL REVENUES	**4,192,056**	**4,343,056**	**4,355,973**	**12,917**

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
EXPENDITURES				
GENERAL GOVERNMENT				
Commissioners' Office				
Operating	210,000	210,000	177,512	(32,488)
Total	210,000	210,000	177,512	(32,488)
Courthouse / Administration				
Operating	382,000	527,000	488,825	(38,175)
Capital outlay	-	-	37,590	37,590
Total	382,000	527,000	526,415	(585)
Sundry				
Operating	100,000	20,000	18,549	(1,451)
Total	100,000	20,000	18,549	(1,451)
Tax Commissioner				
Operating	177,411	177,411	169,977	(7,434)
Total	177,411	177,411	169,977	(7,434)
Tax Assessors				
Operating	143,571	143,571	133,504	(10,067)
Total	143,571	143,571	133,504	(10,067)
Public Buildings				
Operating	23,000	56,000	55,854	(146)
Total	23,000	56,000	55,854	(146)
Church Street Building				
Operating	2,500	2,500	2,262	(238)
Total	2,500	2,500	2,262	(238)
Oak Street Building				
Operating	15,000	19,500	19,157	(343)
Total	15,000	19,500	19,157	(343)
Elections				
Operating	68,863	68,863	68,438	(425)
Total	68,863	68,863	68,438	(425)
Contingency				
Operating	100,000	500	377	(123)
	100,000	500	377	(123)
Total - General Government	**1,222,345**	**1,225,345**	**1,172,045**	**(53,300)**

See independent auditor’s report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
JUDICIAL				
Superior Court				
Operating	$ 140,700	$ 140,700	$ 139,021	$ (1,679)
	140,700	140,700	139,021	(1,679)
Public Defender				
Operating	50,640	50,640	37,057	(13,583)
	50,640	50,640	37,057	(13,583)
District Attorney				
Operating	21,888	21,888	21,369	(519)
	21,888	21,888	21,369	(519)
Magistrate Court				
Operating	47,338	47,338	45,569	(1,769)
	47,338	47,338	45,569	(1,769)
Probate Court				
Operating	152,078	156,078	155,568	(510)
	152,078	156,078	155,568	(510)
Juvenile Court				
Operating	26,095	26,095	20,267	(5,828)
	26,095	26,095	20,267	(5,828)
Total - Judicial	**438,739**	**442,739**	**418,851**	**(23,888)**

See independent auditor’s report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
PUBLIC SAFETY				
Sheriff's Office				
Operating	828,764	828,764	764,825	(63,939)
Capital outlay	43,503	43,503	4,350	(39,153)
	872,267	872,267	769,175	(103,092)
Jail Board				
Operating	337,500	373,500	373,148	(352)
	337,500	373,500	373,148	(352)
Fire Department				
Operating	78,925	84,425	84,080	(345)
	78,925	84,425	84,080	(345)
Patten Detention Work Detail				
Operating	19,750	19,750	16,378	(3,372)
	19,750	19,750	16,378	(3,372)
Emergency Medical Services				
Operating	120,000	120,000	116,706	(3,294)
	120,000	120,000	116,706	(3,294)
Emergency Management				
Operating	15,000	20,500	20,324	(176)
	15,000	20,500	20,324	(176)
Office of the Coroner				
Operating	12,500	14,500	14,483	(17)
	12,500	14,500	14,483	(17)
911 Services				
Operating	123,734	124,734	124,333	(401)
	123,734	124,734	124,333	(401)
Animal Control				
Operating	24,000	25,500	25,090	(410)
	24,000	25,500	25,090	(410)
Total - Public Safety	**1,603,676**	**1,655,176**	**1,543,717**	**(111,459)**

See independent auditor’s report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
PUBLIC WORKS				
Roads Department				
Operating	437,316	468,316	468,169	(147)
	437,316	468,316	468,169	(147)
Solid Waste & Recycling				
Operating	20,000	25,500	24,967	(533)
	20,000	25,500	24,967	(533)
Total - Public Works	**457,316**	**493,816**	**493,136**	**(680)**
HEALTH AND WELFARE				
Nutrition Department				
Operating	33,637	48,137	47,844	(293)
	33,637	48,137	47,844	(293)
Public Health Department				
Operating	53,924	53,924	53,924	-
	53,924	53,924	53,924	-
Headstart				
Operating	1,000	1,000	178	(822)
	1,000	1,000	178	(822)
Department of Family and Children Services				
Operating	16,722	16,722	10,673	(6,049)
	16,722	16,722	10,673	(6,049)
Total - Health and Welfare	**105,283**	**119,783**	**112,619**	**(7,164)**
CULTURE AND RECREATION				
Recreation / Park Department				
Operating	115,000	156,000	155,512	(488)
Capital outlay	-	-	-	-
	115,000	156,000	155,512	(488)
W. L. Miller Library				
Operating	16,480	16,980	16,837	(143)
	16,480	16,980	16,837	(143)
Total - Culture and Recreation	**131,480**	**172,980**	**172,349**	**(631)**

See independent auditor's report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
HOUSING AND DEVELOPMENT				
Forestry				
Operating	10,676	10,676	10,115	(561)
	10,676	10,676	10,115	(561)
Extension Agency				
Operating	87,778	87,778	81,519	(6,259)
	87,778	87,778	81,519	(6,259)
Code Enforcement				
Operating	40,000	40,000	20,336	(19,664)
	40,000	40,000	20,336	(19,664)
Soil Conservations				
Operating	1,000	1,000	974	(26)
	1,000	1,000	974	(26)
Chamber				
Operating	5,000	5,000	5,000	-
	5,000	5,000	5,000	-
Development Authority				
Operating	85,763	85,763	85,763	-
	85,763	85,763	85,763	-
Board of Equalization				
Operating	3,000	3,000	2,754	(246)
	3,000	3,000	2,754	(246)
Total - Housing and Development	**233,217**	**233,217**	**206,461**	**(26,756)**
TOTAL EXPENDITURES	**4,192,056**	**4,343,056**	**4,119,178**	**(223,878)**
NET CHANGE IN FUND BALANCE	**-**	**-**	**236,795**	**236,795**
FUND BALANCE, BEGINNING OF YEAR	**-**	**-**	**2,065,188**	**2,065,188**
FUND BALANCE, END OF YEAR	**$ -**	**$ -**	**$ 2,301,983**	**$ 2,301,983**

See independent auditor’s 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 2012 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.

LANIER COUNTY, GEORGIA
2012 SPECIAL PURPOSE LOCAL OPTION SALES TAX
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 296,091	$ 451,091	$ 532,369	$ 81,278
Investment income	-	-	1,109	1,109
TOTAL REVENUES	296,091	451,091	533,478	82,387
EXPENDITURES				
Intergovernmental	-	-	200,703	200,703
Public works	296,091	451,091	249,989	(201,102)
TOTAL EXPENDITURES	296,091	451,091	450,692	(399)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	82,786	82,786
OTHER FINANCING SOURCES				
Transfer In (Out)	-	-	(70,628)	(70,628)
Capital lease financing	-	-	127,500	127,500
TOTAL OTHER FINANCING SOURCES	-	-	56,872	56,872
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	-	139,658	139,658
FUND BALANCE, BEGINNING OF YEAR	-	-	184,422	184,422
FUND BALANCE, END OF YEAR	$ -	$ -	$ 324,080	$ 324,080

See independent auditor’s 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.

Revolving Loan Fund – To account 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.

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

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.

CAPITAL PROJECT FUNDS

Capital Projects Public Roads Fund – To account for the Local Government Improvement Funds (LMIG) used for road improvements.

LANIER COUNTY, GEORGIA
ALL NONMAJOR FUNDS
COMBINING BALANCE SHEET
June 30, 2016

	Revolving Loan Fund	Law Library Fund	Jail Fund	Victim Assistance Fund	D.A.T.E. Fund	State Drug And State Seizure Fund	Federal Seizure Equitable Sharing	Capital Projects Public Roads Fund	Total
ASSETS									
Cash	$ 41,937	$ 31,199	$ -	$ 2,119	$ 4,199	$ 225,134	$ 3,035	$ 194,428	$ 502,051
Notes receivable	141,761	-	-	-	-	-	-	-	141,761
Accounts receivable	-	575	1,541	519	298	-	-	-	2,933
TOTAL ASSETS	$ 183,698	$ 31,774	$ 1,541	$ 2,638	$ 4,497	$ 225,134	$ 3,035	$ 194,428	$ 646,745
LIABILITIES AND FUND BALANCE									
LIABILITIES									
Accounts payable	-	-	853	-	-	-	-	-	853
TOTAL LIABILITIES	-	-	853	-	-	-	-	-	853
FUND BALANCES									
Restricted for:									
Public works	-	-	-	-	-	-	-	194,428	194,428
Economic development	183,698	-	-	-	-	-	-	-	183,698
Law library	-	31,774	-	-	-	-	-	-	31,774
Jail operations	-	-	688	-	-	-	-	-	688
Victim Assistance	-	-	-	2,638	-	-	-	-	2,638
Drug education and treatment	-	-	-	-	4,497	-	-	-	4,497
Drug enforcement	-	-	-	-	-	225,134	3,035	-	228,169
TOTAL FUND BALANCES	183,698	31,774	688	2,638	4,497	225,134	3,035	194,428	645,892
TOTAL LIABILITIES AND FUND BALANCES	$ 183,698	$ 31,774	$ 1,541	$ 2,638	$ 4,497	$ 225,134	$ 3,035	$ 194,428	$ 646,745

See independent auditor’s report.

LANIER COUNTY, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended June 30, 2016

	Revolving Loan Fund	Law Library Fund	Jail Fund	Victim Assistance Fund	D.A.T.E. Fund	State Drug And State Seizure Fund	Federal Seizure Equitable Sharing	Capital Projects Public Roads Fund	Total
REVENUES									
Intergovernmental revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	194,428	194,428
Fines and forfeitures	-	9,303	18,220	7,577	6,613	147,586	-	-	189,299
Investment income	3,232	88	-	-	-	-	-	-	3,320
TOTAL REVENUES	3,232	9,391	18,220	7,577	6,613	147,586	-	194,428	387,047
EXPENDITURES									
Current:									
Public works	-	-	-	-	-	-	-	68,057	68,057
Housing and development	-	-	-	-	-	-	-	-	-
Judicial	-	5,040	-	6,240	-	-	-	-	11,280
Public safety	-	-	24,171	-	-	35,066	-	-	59,237
Health and welfare	-	-	-	-	4,541	-	-	-	4,541
TOTAL EXPENDITURES	-	5,040	24,171	6,240	4,541	35,066	-	68,057	75,058
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	3,232	4,351	(5,951)	1,337	2,072	112,520	-	126,371	243,932
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	70,628	70,628
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	70,628	70,628
NET CHANGES IN FUND BALANCE	3,232	4,351	(5,951)	1,337	2,072	112,520	-	196,999	314,560
FUND BALANCE, BEGINNING OF YEAR	180,466	27,423	6,639	1,301	2,425	112,614	3,035	(2,571)	331,332
FUND BALANCE, END OF YEAR	$ 183,698	$ 31,774	$ 688	$ 2,638	$ 4,497	$ 225,134	$ 3,035	$ 194,428	$ 645,892

See independent auditor’s report.

LANIER COUNTY, GEORGIA
REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	$ 180,515	$ 180,515	$ 3,232	$ (177,283)
TOTAL REVENUES	180,515	180,515	3,232	(177,283)
EXPENDITURES				
Current:				
Housing and development	180,515	180,515	-	(180,515)
TOTAL EXPENDITURES	180,515	180,515	-	(180,515)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	3,232	3,232
FUND BALANCE, BEGINNING OF YEAR	-	-	180,466	180,466
FUND BALANCE, END OF YEAR	$ -	$ -	$ 183,698	$ 183,698

See independent auditor’s 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, 2016

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 26,728	$ 26,728	$ 9,303	$ (17,425)
Investment income	-	-	88	88
TOTAL REVENUES	26,728	26,728	9,391	(17,337)
EXPENDITURES				
Current:				
Judicial	26,728	26,728	5,040	(21,688)
TOTAL EXPENDITURES	26,728	26,728	5,040	(21,688)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	4,351	4,351
FUND BALANCE, BEGINNING OF YEAR	-	-	27,423	27,423
FUND BALANCE, END OF YEAR	$ -	$ -	$ 31,774	$ 31,774

See independent auditor’s report.

LANIER COUNTY, GEORGIA
JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 4,233	$ 24,233	$ 18,220	$ (6,013)
TOTAL REVENUES	4,233	24,233	18,220	(6,013)
EXPENDITURES				
Current:				
Public safety	4,233	24,233	24,171	(62)
TOTAL EXPENDITURES	4,233	24,233	24,171	(62)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	(5,951)	(5,951)
FUND BALANCE, BEGINNING OF YEAR	-	-	6,639	6,639
FUND BALANCE, END OF YEAR	$ -	$ -	$ 688	$ 688

See independent auditor’s 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, 2016

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 3,675	$ 6,675	$ 7,577	$ 902
TOTAL REVENUES	3,675	6,675	7,577	902
EXPENDITURES				
Current:				
Judicial	3,675	6,675	6,240	(435)
TOTAL EXPENDITURES	3,675	6,675	6,240	(435)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	1,337	1,337
FUND BALANCE, BEGINNING OF YEAR	-	-	1,301	1,301
FUND BALANCE, END OF YEAR	$ -	$ -	$ 2,638	$ 2,638

See independent auditor's 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, 2016

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 4,516	$ 4,566	$ 6,613	$ 2,047
TOTAL REVENUES	4,516	4,566	6,613	2,047
EXPENDITURES				
Current:				
Health and welfare	4,516	4,566	4,541	(25)
TOTAL EXPENDITURES	4,516	4,566	4,541	(25)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	2,072	2,072
FUND BALANCE, BEGINNING OF YEAR	-	-	2,425	2,425
FUND BALANCE, END OF YEAR	$ -	$ -	$ 4,497	$ 4,497

See independent auditor’s 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, 2016

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 112,443	$ 112,443	$ 147,586	$ 35,143
TOTAL REVENUES	112,443	112,443	147,586	35,143
EXPENDITURES				
Current:				
Public safety	112,443	112,443	35,066	(77,377)
TOTAL EXPENDITURES	112,443	112,443	35,066	(77,377)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	112,520	112,520
FUND BALANCE, BEGINNING OF YEAR	-	-	112,614	112,614
FUND BALANCE, END OF YEAR	$ -	$ -	$ 225,134	$ 225,134

See independent auditor’s 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, 2016

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 3,035	$ 3,035	$ -	$ (3,035)
TOTAL REVENUES	3,035	3,035	-	(3,035)
EXPENDITURES				
Current:				
Public safety	3,035	3,035	-	(3,035)
TOTAL EXPENDITURES	3,035	3,035	-	(3,035)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	3,035	3,035
FUND BALANCE, END OF YEAR	$ -	$ -	$ 3,035	$ 3,035

See independent auditor’s report.

LANIER COUNTY, GEORGIA
CAPITAL PROJECTS PUBLIC ROADS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenue	$ 256,002	$ 256,002	$ 194,428	$ (61,574)
TOTAL REVENUES	256,002	256,002	194,428	(61,574)
EXPENDITURES				
Current:				
Public works	256,002	256,002	68,057	(187,945)
TOTAL EXPENDITURES	256,002	256,002	68,057	(187,945)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	126,371	126,371
OTHER FINANCING SOURCES				
Transfers In	-	-	70,628	70,628
TOTAL OTHER FINANCING SOURCES	-	-	70,628	70,628
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	-	196,999	70,628
FUND BALANCE, BEGINNING OF YEAR	-	-	(2,571)	(2,571)
FUND BALANCE, END OF YEAR	$ -	$ -	$ 194,428	$ 335,684

See independent auditor’s 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, 2016

	AGENCY FUNDS					
	TAX COMMISSIONER	PROBATE JUDGE	CLERK OF SUPERIOR COURT	OFFICE OF SHERIFF	MAGISTRATE COURT	TOTAL
ASSETS						
Cash	$ 472,887	$ 19,158	$ 69,102	$ 4,197	$ 7,271	$ 572,615
TOTAL ASSETS	$ 472,887	$ 19,158	$ 69,102	$ 4,197	$ 7,271	$ 572,615
LIABILITIES AND NET POSITION						
LIABILITIES						
Due to others	$ 472,887	$ 19,158	$ 69,102	$ 4,197	$ 7,271	$ 572,615
TOTAL LIABILITIES	$ 472,887	$ 19,158	$ 69,102	$ 4,197	$ 7,271	$ 572,615
NET POSITION	$ -	$ -	$ -	$ -	$ -	$ -

LANIER COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
For The Year Ending June 30, 2016

		Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
OFFICE OF TAX COMMISSIONER					
ASSETS					
Cash		$ 512,614	$ 7,600,098	$ 7,639,825	$ 472,887
	TOTAL ASSETS	$ 512,614	$ 7,600,098	$ 7,639,825	$ 472,887
LIABILITIES					
Due to others		$ 512,614	$ 7,600,098	$ 7,639,825	$ 472,887
	TOTAL LIABILITIES	$ 512,614	$ 7,600,098	$ 7,639,825	$ 472,887
PROBATE JUDGE					
ASSETS					
Cash		$ 37,670	$ 255,278	$ 273,790	$ 19,158
	TOTAL ASSETS	$ 37,670	$ 255,278	$ 273,790	$ 19,158
LIABILITIES					
Due to others		$ 37,670	$ 255,278	$ 273,790	$ 19,158
	TOTAL LIABILITIES	$ 37,670	$ 255,278	$ 273,790	$ 19,158
CLERK OF COURT					
ASSETS					
Cash		$ 69,323	$ 315,154	$ 315,375	$ 69,102
	TOTAL ASSETS	$ 69,323	$ 315,154	$ 315,375	$ 69,102
LIABILITIES					
Due to others		$ 69,323	$ 315,154	$ 315,375	$ 69,102
	TOTAL LIABILITIES	$ 69,323	$ 315,154	$ 315,375	$ 69,102

LANIER COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
For The Year Ending June 30, 2016

		Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
OFFICE OF SHERIFF					
ASSETS					
Cash		$ 2,268	$ 61,189	$ 59,260	$ 4,197
	TOTAL ASSETS	$ 2,268	$ 61,189	$ 59,260	$ 4,197
LIABILITIES					
Due to others		$ 2,268	$ 61,189	$ 59,260	$ 4,197
	TOTAL LIABILITIES	$ 2,268	$ 61,189	$ 59,260	$ 4,197
MAGISTRATE COURT					
ASSETS					
Cash		$ 7,602	$ 92,912	$ 93,243	$ 7,271
	TOTAL ASSETS	$ 7,602	$ 92,912	$ 93,243	$ 7,271
LIABILITIES					
Due to others		$ 7,602	$ 92,912	$ 93,243	$ 7,271
	TOTAL LIABILITIES	$ 7,602	$ 92,912	$ 93,243	$ 7,271

COMPLIANCE SECTION

LANIER COUNTY, GEORGIA
SCHEDULE OF PROJECTS FUNDED BY SPECIAL PURPOSE SALES TAX PROCEEDS
For The Year Ended June 30, 2016

2012 SPLOST	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Roads, streets and bridge purposes	$ 6,230,000	$ 2,492,000	$ 949,090	$ 249,989	$ 1,199,079	48.12%
City of Lakeland	3,770,000	1,508,000	591,770	200,703	792,473	52.55%
Totals	$ 10,000,000	$ 4,000,000	$ 1,540,860	$ 450,692	$ 1,991,552	

Tillman & Tillman, LLP
Certified Public Accountants & Consultants

Joseph H. Tillman, CPA
H. Harrison Tillman, Jr., CPA
Pamela K. Tillman, CPA
Eric M. Tillman, CPA
Angela M. Hawkins, CPA
H. Harrison Tillman, Sr., CPA (1927-2010)

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

To the Board of County Commissioners
Lanier County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lanier County, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Lanier County, Georgia's basic financial statements and have issued our report thereon dated December 28, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lanier County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lanier County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Lanier County, Georgia's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies noted as 2016-1.

3269 N. Valdosta Road ■ P. O. Box 3488 ■ Valdosta, GA 31604-3488 ■ (229) 259-9490 ■ Fax (229) 259-9491
Members AICPA and GSCPA

To the Board of County Commissioners
Lanier County, Georgia
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lanier County, Georgia's financial statements are free from 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 Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tillman & Tillman, LLP
Tillman & Tillman, LLP

Valdosta, Georgia
December 28, 2016

LANIER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2016

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified	
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?	______ Yes	X No

Section II – Financial Statement Findings

Current Year Findings

2016-1 – 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.

2016-1 – 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.

2016-1 – Cause

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

2016-1 – 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.

2016-1 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.

2016-1 – 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:

2016-1 was also a finding in the prior year.