

LANIER COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For The Year Ended June 30, 2017

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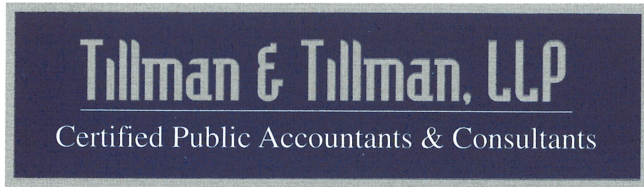
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INDEPENDENT AUDITOR'S REPORT

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, 2017, 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.

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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, 2017, 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 (pages 4–10), budgetary comparison information (pages 38–40), and pension schedules and notes (pages 41–42) 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 March 19, 2018, 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
March 19, 2018

LANIER COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

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, 2017. 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 FY17 are as follows:

The County's total net position increased by \$141,137.

The County's governmental fund assets exceeded its liabilities and deferred inflows of resources at June 30, 2017 by \$7,655,598 (net position). Of this amount \$2,367,339 (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 decreased by \$80,714, resulting in a fund balance of \$2,221,269.

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 than 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.

LANIER COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

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.

LANIER COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

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.

LANIER COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position:

	<u>Governmental Activities</u>		Total Percentage Change
	<u>2016</u>	<u>2017</u>	
Assets			
Current and other assets	\$ 3,557,859	\$ 3,671,169	3.18%
Capital assets, net	4,653,806	4,684,000	0.65%
Total Assets	8,211,665	8,355,169	1.75%
Liabilities			
Current and other liabilities	44,068	179,668	307.71%
Long-term liabilities	650,732	517,499	-20.47%
Total Liabilities	694,800	697,167	0.34%
Deferred Inflows of Resources			
	2,404	2,404	0.00%
Net Position			
Net investment in capital assets	4,029,272	4,185,164	3.87%
Restricted	969,972	1,103,095	13.72%
Unrestricted	2,515,217	2,367,339	-5.88%
Total Net Position	\$ 7,514,461	\$ 7,655,598	1.88%

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 \$7,655,598 as of June 30, 2017. A large portion of the County's net position (55%) 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.

LANIER COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

An additional portion of the County's net position (14%) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets (31%) 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, 2017.

	<u>Governmental Activities</u>		<u>Total Percentage Change</u>
	<u>2016</u>	<u>2017</u>	
Revenues			
Program Revenues			
Charges for services	\$ 760,898	\$ 512,975	-32.58%
Operating grants and contributions	43,075	73,983	71.75%
Capital grants and contributions	195,538	254,774	30.29%
Total Program Revenues	<u>999,511</u>	<u>841,732</u>	<u>-15.79%</u>
General Revenues			
Property taxes	2,939,482	2,917,305	-0.75%
Sales taxes	798,552	785,954	-1.58%
Timber taxes	51,619	35,388	-31.44%
Insurance premium taxes	352,165	374,760	6.42%
Other taxes	69,502	74,288	6.89%
Interest, penalties and costs - taxes	88,436	71,326	-19.35%
Miscellaneous	107,667	54,708	-49.19%
Total General Revenues	<u>4,407,423</u>	<u>4,313,729</u>	<u>-2.13%</u>
Total Revenues	<u>5,406,934</u>	<u>5,155,461</u>	<u>-4.65%</u>
Expenses			
Governmental Activities:			
General Government			
Legislative and executive	\$ 1,191,198	\$ 1,311,004	10.06%
Judicial	430,133	499,383	16.10%
Public safety	1,659,348	1,793,291	8.07%
Public works	909,955	879,942	-3.30%
Health and welfare	122,274	132,582	8.43%
Culture and recreation	172,950	199,348	15.26%
Housing and development	206,460	194,017	-6.03%
Interest on long-term debt	5,563	4,757	-14.49%
Total Expenses	<u>4,697,881</u>	<u>5,014,324</u>	<u>6.74%</u>
Change in Net Position	709,053	\$ 141,137	-80.09%
Net Position, Beginning	<u>6,805,408</u>	<u>7,514,461</u>	<u>10.42%</u>
Net Position, Ending	<u>\$ 7,514,461</u>	<u>\$ 7,655,598</u>	<u>1.88%</u>

LANIER COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

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

<u>Function</u>	<u>Total Cost of Services</u>		<u>Percentage Change</u>	<u>Net Cost of Services</u>		<u>Percentage Change</u>
	<u>2016</u>	<u>2017</u>	<u>2016-2017</u>	<u>2016</u>	<u>2017</u>	<u>2016-2017</u>
General Government						
Legislative and executive	\$ 1,191,198	\$ 1,311,004	10.06%	\$ 955,340	\$ 1,122,060	17.45%
Judicial	430,133	499,383	16.10%	90,113	227,574	152.54%
Public safety	1,659,348	1,793,291	8.07%	1,408,104	1,735,654	23.26%
Public works	909,955	879,942	-3.30%	623,441	605,418	-2.89%
Health and welfare	122,274	132,582	8.43%	93,388	104,137	11.51%
Culture and recreation	172,950	199,348	15.26%	113,806	178,975	57.26%
Housing and development	206,460	194,017	100.00%	200,295	194,017	-3.13%
Interest on long-term debt	5,563	4,757	-14.49%	6,561	4,757	-27.50%
Total	\$ 4,697,881	\$ 5,014,324	6.74%	\$ 3,491,048	\$ 4,172,592	19.52%

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, 2017, the County's governmental funds reported a combined ending fund balance of \$3,324,364, an increase of \$52,409.

The General Fund is the primary operating fund of the County. At the end of June 30, 2017, the unassigned fund balance was \$ 2,156,892.

LANIER COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

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, 2017, was \$4,185,164 (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 FY17 included the acquisition of vehicles, equipment, and various paving projects.

Note 7 (Capital Assets) provides additional information about capital asset activity during FY17.

Debt

At June 30, 2017, the County had total capital lease debt outstanding of \$498,836.

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 1.58% in FY17.

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, 2017

	<u>Primary Government</u>		<u>Component Unit</u>
	<u>Governmental</u>		<u>Lanier County</u>
	<u>Activities</u>	<u>Total</u>	<u>Board of Health</u>
ASSETS			
Cash	\$ 2,957,773	\$ 2,957,773	\$ 183,343
Prepaid items	64,377	64,377	-
Taxes receivable	264,053	264,053	-
Accounts receivable	211,759	211,759	-
Note receivable	110,661	110,661	-
Due from other governments	62,546	62,546	39,150
Nondepreciable capital assets	516,198	516,198	-
Depreciable capital assets, net	4,167,802	4,167,802	-
TOTAL ASSETS	<u>8,355,169</u>	<u>8,355,169</u>	<u>222,493</u>
DEFERRED OUTFLOWS OF RESOURCES			
Proportionate share of collective deferred outflows of resources	-	-	51,097
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	146,845	146,845	-
Accrued liabilities	477	477	-
Due to other governments	32,346	32,346	13,087
NONCURRENT LIABILITIES:			
Due within one year:			
Capital leases payable	356,864	356,864	-
Compensated absences	11,198	11,198	6,736
Due in more than one year:			
Capital leases payable	141,972	141,972	-
Compensated absences	7,465	7,465	4,490
Net pension obligation liability	-	-	134,864
TOTAL LIABILITIES	<u>697,167</u>	<u>697,167</u>	<u>159,177</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	2,404	2,404	311
COMBINED LIABILITIES AND DEFERRED			
INFLOWS OF RESOURCES	<u>\$ 699,571</u>	<u>\$ 699,571</u>	<u>\$ 159,488</u>
NET POSITION			
Net investment in capital assets	4,185,164	4,185,164	-
Restricted for:			
Capital projects	653,222	653,222	-
Economic improvement loans	187,703	187,703	-
Jail operations	2,990	2,990	-
Drug enforcement	227,588	227,588	-
Drug education and treatment	1,879	1,879	-
Victim assistance	532	532	-
Law library	29,181	29,181	-
Prior year program income	-	-	70,086
Unrestricted	2,367,339	2,367,339	44,016
TOTAL NET POSITION	<u>\$ 7,655,598</u>	<u>\$ 7,655,598</u>	<u>\$ 114,102</u>

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

LANIER COUNTY, GEORGIA
 STATEMENT OF ACTIVITIES
 For The Year Ended June 30, 2017

FUNCTION/PROGRAM	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Primary Government:				
GOVERNMENTAL ACTIVITIES				
General government				
Legislative	\$ 1,311,004	\$ 183,461	\$ 5,483	\$ -
Judicial	499,383	237,717	34,092	-
Public Safety	1,793,291	52,137	5,500	-
Public Works	879,942	15,745	4,005	254,774
Health and Welfare	132,582	3,542	24,903	-
Culture and Recreation	199,348	20,373	-	-
Housing and Development	194,017	-	-	-
Interest on Long-term Debt	4,757	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>5,014,324</u>	<u>512,975</u>	<u>73,983</u>	<u>254,774</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 5,014,324</u>	<u>512,975</u>	<u>73,983</u>	<u>254,774</u>
COMPONENTS UNITS				
Lanier County Board of Health	\$ 278,463	\$ 70,086	\$ 210,560	\$ -
TOTAL COMPONENT UNITS	<u>\$ 278,463</u>	<u>\$ 70,086</u>	<u>\$ 210,560</u>	<u>\$ -</u>
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 & franchise taxes				
Intangible recording taxes				
Interest and penalties - delinquent taxes				
Other revenues				
TOTAL GENERAL REVENUES				
CHANGES IN NET POSITION				
NET POSITION, BEGINNING				
NET POSITION, END OF YEAR				

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

Activities		Component Unit
Primary Government		Lanier County Board of Health
Governmental Activities	Total	
\$ (1,122,060)	\$ (1,122,060)	\$ -
(227,574)	(227,574)	-
(1,735,654)	(1,735,654)	-
(605,418)	(605,418)	-
(104,137)	(104,137)	-
(178,975)	(178,975)	-
(194,017)	(194,017)	-
(4,757)	(4,757)	-
<u>(4,172,592)</u>	<u>(4,172,592)</u>	<u>-</u>
<u>(4,172,592)</u>	<u>(4,172,592)</u>	<u>-</u>
\$ -	\$ -	\$ 2,183
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,183</u>
2,917,305	2,917,305	-
35,388	35,388	-
785,954	785,954	-
12,259	12,259	-
374,760	374,760	-
22,332	22,332	-
3,745	3,745	-
35,952	35,952	-
71,326	71,326	-
54,708	54,708	-
<u>4,313,729</u>	<u>4,313,729</u>	<u>-</u>
141,137	141,137	2,183
<u>7,514,461</u>	<u>7,514,461</u>	<u>111,919</u>
\$ 7,655,598	\$ 7,655,598	\$ 114,102
<u>\$ 7,655,598</u>	<u>\$ 7,655,598</u>	<u>\$ 114,102</u>

LANIER COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017

	General Fund	Special Purpose Sales Tax Fund	Public Roads Fund	Other Governmental Funds	Total
ASSETS					
Cash	\$ 1,964,921	\$ 418,758	\$ 230,113	\$ 343,980	\$ 2,957,772
Prepaid items	64,377	-	-	-	64,377
Taxes receivable	264,053	-	-	-	264,053
Notes receivable	-	-	-	110,661	110,661
Accounts receivable	209,372	-	-	2,386	211,758
Due from other governments	20,849	41,697	-	-	62,546
Interfund receivable	35	-	-	-	35
TOTAL ASSETS	<u>2,523,607</u>	<u>460,455</u>	<u>230,113</u>	<u>457,027</u>	<u>3,671,202</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	134,726	5,000	-	7,119	146,845
Due to other governments	-	32,346	-	-	32,346
Interfund payable	-	-	-	35	35
Accrued liabilities	477	-	-	-	477
TOTAL LIABILITIES	<u>135,203</u>	<u>37,346</u>	<u>-</u>	<u>7,154</u>	<u>179,703</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	167,135	-	-	-	167,135
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>167,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,135</u>
FUND BALANCES					
Nonspendable for:					
Prepaid items	64,377	-	-	-	64,377
Restricted for:					
Capital projects	-	423,109	230,113	-	653,222
Jail operations	-	-	-	2,990	2,990
Economic improvement loans	-	-	-	187,703	187,703
Drug enforcement	-	-	-	227,588	227,588
Drug education and treatment	-	-	-	1,879	1,879
Victim assistance	-	-	-	532	532
Law library	-	-	-	29,181	29,181
Unassigned reported in:					
General Fund	2,156,892	-	-	-	2,156,892
TOTAL FUND BALANCES	<u>2,221,269</u>	<u>423,109</u>	<u>230,113</u>	<u>449,873</u>	<u>3,324,364</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,523,607</u>	<u>\$ 460,455</u>	<u>\$ 230,113</u>	<u>\$ 457,027</u>	<u>\$ 3,671,202</u>

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, 2017

Total Governmental Fund Balances \$ 3,324,364

**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	\$ 8,297,813	
Less accumulated depreciation	<u>(3,613,813)</u>	4,684,000

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

Capital leases payable	(498,836)	
Accrued compensated absences	<u>(18,663)</u>	(517,499)

Deferred revenue in governmental activities are susceptible to full accrual in the government-wide statement of net position.

Deferred revenues		<u>164,733</u>
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Net Position of Governmental Activities \$ 7,655,598

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, 2017

	General Fund	2012 Special Purpose Sales Tax Fund	Public Roads Fund	Other Governmental Funds	Total
REVENUES					
Taxes	\$ 3,813,536	\$ 523,965	\$ -	\$ -	\$ 4,337,501
Licenses and permits	55,638	-	-	-	55,638
Intergovernmental revenues	64,403	-	253,369	-	317,772
Charges for services	279,022	-	-	-	279,022
Fines and forfeitures	132,913	-	-	35,366	168,279
Investment income	5,483	1,406	-	4,097	10,986
Miscellaneous	56,165	-	-	-	56,165
TOTAL REVENUES	4,407,160	525,371	253,369	39,463	5,225,363
EXPENDITURES					
Current:					
General Government					
Legislative and executive	1,257,518	-	-	-	1,257,518
Judicial	481,839	-	-	9,239	491,078
Public safety	1,734,670	-	-	17,350	1,752,020
Public works	497,358	121,490	217,684	-	836,532
Health and welfare	121,232	-	-	6,160	127,392
Culture and recreation	189,561	-	-	-	189,561
Housing and development	194,017	-	-	-	194,017
Intergovernmental	-	197,535	-	-	197,535
Capital Outlay	-	107,317	-	-	107,317
Debt Service					
Principle retirement	15,227	-	-	-	15,227
Interest	4,757	-	-	-	4,757
TOTAL EXPENDITURES	4,496,179	426,342	217,684	32,749	5,172,954
EXCESS OF REVENUES					
(UNDER) EXPENDITURES	(89,019)	99,029	35,685	6,714	52,409
OTHER FINANCING SOURCES:					
Transfers In	8,305	-	-	(8,305)	-
TOTAL OTHER FINANCING SOURCES	8,305	-	-	(8,305)	-
NET CHANGE IN FUND BALANCE	(80,714)	99,029	35,685	(1,591)	52,409
FUND BALANCE, BEGINNING OF YEAR	2,301,983	324,080	194,428	451,464	3,271,955
FUND BALANCE, END OF YEAR	\$ 2,221,269	\$ 423,109	\$ 230,113	\$ 449,873	\$ 3,324,364

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, 2017

Net Change in Fund Balances - Total Governmental Funds \$ 52,409

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	338,235	
Disposal of capital assets	(3,507)	
Current year depreciation expense	<u>(304,534)</u>	30,194

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	<u>(74,699)</u>	(74,699)
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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	<u>7,535</u>	7,535
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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		<u>125,698</u>
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Change in Net Position of Governmental Activities \$ 141,137

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

LANIER COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash	\$ <u>710,542</u>
TOTAL ASSETS	\$ <u><u>710,542</u></u>
LIABILITIES	
Due to others	\$ <u>710,542</u>
TOTAL LIABILITIES	<u>710,542</u>
NET POSITION	\$ <u><u>-</u></u>

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, 2017.

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 \$6,445 to the Regional Commission for the year ended June 30, 2017. 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

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.

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.

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

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.

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.

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, 2017, but were levied to finance FY17 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 FY17 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.

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 not 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.

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:

<u>Description</u>	<u>Estimated Lives</u>
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.

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.

Note 2 - Summary of Significant Accounting Policies - Continued

P. Fund Equity - Continued

Fund balances are classified as follows:

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

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

Committed: Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County 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.

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, 2017 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	\$ 20,849
Total - General Fund	<u>\$ 20,849</u>
Capital Project Funds	
2012 SPLOST Fund	
Georgia Department of Revenue	\$ 41,697
Total - Due From Other Governments	<u>\$ 62,546</u>

LANIER COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2017

Note 5 – Interfund Balances and Transfers

The composition of interfund balances and transfers as of June 30, 2017 is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund				
2017 SPLOST Fund	\$ 35	\$ -	\$ -	\$ -
Law Library Fund	-	-	8,305	-
	<u>35</u>	<u>-</u>	<u>8,305</u>	<u>-</u>
2017 SPLOST Fund				
General Fund	-	35	-	-
	<u>-</u>	<u>35</u>	<u>-</u>	<u>-</u>
Law Library Fund				
General Fund	-	-	-	8,305
	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,305</u>
Total Governmental Funds	<u>\$ 35</u>	<u>\$ 35</u>	<u>\$ 8,305</u>	<u>\$ 8,305</u>

Funds used for the establishment of a bank account for the 2017 SPLOST fund were paid from the General Fund and is due back from the 2017 SPLOST Fund. Funds were transferred from the Law Library Fund to the General Fund to assist with replacement of lights in the library.

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.

LANIER COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2017

Note 7 – Capital Assets

A summary of the changes in general capital assets for the year ended June 30, 2017 is as follows:

	Balance at <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>June 30, 2017</u>
Primary Government Governmental Activities:				
Nondepreciable Capital Assets:				
Land and improvements	\$ 245,296	\$ -	\$ -	\$ 245,296
Construction in progress	11,732	270,902	11,732	270,902
Total Nondepreciable Capital Assets	<u>257,028</u>	<u>270,902</u>	<u>11,732</u>	<u>516,198</u>
Depreciable Capital Assets:				
Buildings and building improvements	\$ 1,687,545	\$ 11,732	\$ -	\$ 1,699,277
Infrastructure	2,625,731	-	-	2,625,731
Paving, landscaping and improvements	331,790	-	-	331,790
Vehicles	888,955	59,013	4,500	943,468
Machinery and equipment	2,173,029	8,320	-	2,181,349
Total Depreciable Capital Assets	<u>7,707,050</u>	<u>79,065</u>	<u>4,500</u>	<u>7,781,615</u>
Less Accumulated Depreciation for:				
Buildings and building improvements	933,999	47,829	-	981,828
Infrastructure	250,108	52,513	-	302,621
Paving, landscaping and improvements	202,672	14,283	-	216,955
Vehicles	662,927	33,465	993	695,399
Machinery and equipment	1,260,566	156,444	-	1,417,010
Total Accumulated Depreciation	<u>3,310,272</u>	<u>304,534</u>	<u>993</u>	<u>3,613,813</u>
Total Depreciable Capital Assets, Net	<u>4,396,778</u>	<u>(225,469)</u>	<u>3,507</u>	<u>4,167,802</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,653,806</u>	<u>\$ 45,433</u>	<u>\$ 15,239</u>	<u>\$ 4,684,000</u>

Depreciation was charged to governmental functions as follows:

Governmental activities:

General Government

Legislative and Executive	\$ 61,020
Public Safety	83,272
Public Works	136,945
Health and Welfare	5,190
Culture and Recreation	<u>18,107</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 304,534</u>

LANIER COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2017

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.

	<u>Balance at</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2017</u>	<u>Amount Due</u> <u>In One Year</u>
Primary Government:					
Governmental Activities:					
Compensated absences	\$ 26,198	\$ 8,184	\$ 15,719	\$ 18,663	\$ 11,198
Total Primary Government	<u>\$ 26,198</u>	<u>\$ 8,184</u>	<u>\$ 15,719</u>	<u>\$ 18,663</u>	<u>\$ 11,198</u>
Component Unit - Board of Health:					
Compensated absences	<u>\$ 7,826</u>	<u>\$ 7,313</u>	<u>\$ 3,913</u>	<u>\$ 11,226</u>	<u>\$ 6,736</u>

Note 9 - Long-Term Debt

The following is a summary of the debt transactions of the County for the fiscal year ended June 30, 2017:

	<u>Balance at</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2017</u>	<u>Amount Due</u> <u>In One Year</u>
<u>Governmental Activities</u>					
Capital leases	<u>\$ 624,534</u>	<u>\$ -</u>	<u>\$ 125,698</u>	<u>\$ 498,836</u>	<u>\$ 356,864</u>
Total Governmental Activities	<u>\$ 624,534</u>	<u>\$ -</u>	<u>\$ 125,698</u>	<u>\$ 498,836</u>	<u>\$ 356,864</u>

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

	<u>Purpose</u>	<u>Original</u> <u>Issue</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Issue</u> <u>Amount</u>	<u>Maturity</u> <u>Date</u>
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
Capital Lease	Motor Grader	2015	2.30%	\$ 127,500	2020

Note 9 - Long-Term Debt - Continued

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

Year Ending June 30,	Governmental Activities	
	Capital Leases	
	<u>Principal</u>	<u>Interest</u>
2018	356,864	11,194
2019	74,104	4,499
2020	42,224	2,545
2021	25,644	1,083
Total	<u>\$ 498,836</u>	<u>\$ 19,321</u>

The assets acquired through capital leases are as follows:

	Total Governmental Activities
Asset:	
Equipment	\$ 1,037,875
Less: accumulated depreciation	(306,733)
Total	<u>\$ 731,142</u>

The amortization expense of these capital lease assets for FY17 was \$194,894 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”.

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, 2017, was as follows:

Equipment	\$ 1,485
Less Accumulated Depreciation	<u>(1,485)</u>
Net Property and Equipment	<u>\$ 0</u>

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

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, 2017 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 \$24,906 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, 2017, 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, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2016 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, 2016. At June 30, 2017 the Employer’s proportion was 0.002851%, which was an increase of .000079% from its portions measured as of June 30, 2016.

For the year ended June 30, 2017, the Board of Health recognized pension expense of \$9,659. At June 30, 2017 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	\$ -	\$ 311
Changes of assumptions	1,142	-
Net difference between projected and actual earnings on pension plan investments	13,712	-
Changes in proportion and differences between Employer contributions and proportion share of contributions	2,982	-
Employer contributions subsequent to the measurement date	24,906	-
Total	<u>\$ 42,742</u>	<u>\$ 311</u>

Board of Health contributions subsequent to the measurement date of \$24,906 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 <u>June 30</u>		
2018	\$	3,887
2019		1,662
2020		7,393
2021		4,583
2022		-
Thereafter		-

Note 10 – Component Unit - Continued

Lanier County Board of Health Pension Plan - Continued

Actuarial assumptions: The total pension liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25% - 7.00%
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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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%	-0.50%
Domestic large equities	37.20%	9.00%
Domestic mid equities	3.40%	12.00%
Domestic small equities	1.40%	13.50%
International developed market equities	17.80%	8.00%
International emerging market equities	5.20%	12.00%
Alternatives	5.00%	10.50%
Total	100.00%	

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	182,766	134,864	94,042

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 \$16,800 for the year ending June 30, 2017. 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, 2017.

Note 12 – Contingent Liabilities

There was no pending litigation, claims, or assessments against the County at June 30, 2017. In the opinion of County management, there were no unasserted claims or assessments that might have a material effect on the financial condition of the County.

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

Note 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, 2017, the plan members contributed \$17,428 and the County contributed \$14,059 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

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.

LANIER COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2017

Note 15 – Expenditures in Excess of Appropriations

The following funds' expenditures exceeded appropriations

	Expenditures		Amount
	<u>Actual</u>	<u>Appropriations</u>	<u>Exceeding</u> <u>Appropriations</u>
General Fund:			
Commissioners' Office	220,182	210,000	10,182
Courthouse / Administration	488,987	382,000	106,987
Tax Commissioner	186,333	181,009	5,324
Tax Assessors	159,401	157,718	1,683
Public Buildings	34,046	25,000	9,046
Oak Street Building	17,576	15,000	2,576
Elections	70,721	68,051	2,670
Superior Court	144,515	141,000	3,515
Public Defender	42,701	42,000	701
Probate Court	158,284	155,147	3,137
Juvenile Court	66,477	26,095	40,382
Jail Board	401,382	337,500	63,882
Fire Department	94,020	88,925	5,095
Emergency Medical Services	122,504	120,000	2,504
Emergency Management	58,879	40,000	18,879
Office of Coroner	12,584	12,500	84
Animal Control	24,803	24,000	803
Solid Waste & Recycling	45,376	20,000	25,376
Recreation / Park Department	192,315	120,000	72,315
W. L. Miller Library			
SPLOST 2012 Fund	426,342	346,500	79,842
Jail Fund	11,618	4,233	7,385
Victim Assistance	7,959	3,675	4,284
Date Fund	6,159	4,516	1,643

Note 16 – Subsequent Event

Subsequent events were evaluated through March 19, 2018, which is the date of the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Final Budget
	Original	Final		Over (Under)
REVENUES				
Taxes	\$ 3,805,716	\$ 3,805,716	\$ 3,813,536	\$ 7,820
Licenses and permits	57,740	57,740	55,638	(2,102)
Intergovernmental Revenues	27,118	27,118	64,403	37,285
Charges for services	161,435	161,435	279,022	117,587
Fines and forfeitures	180,562	180,562	132,913	(47,649)
Investment income	5,315	5,315	5,483	168
Miscellaneous	48,019	48,019	56,165	8,146
TOTAL REVENUES	4,285,905	4,285,905	4,407,160	121,255
GENERAL GOVERNMENT				
Commissioners' Office	210,000	210,000	220,182	10,182
Courthouse / Administration	382,000	382,000	488,987	106,987
Sundry	100,000	100,000	15,311	(84,689)
Tax Commissioner	181,009	181,009	186,333	5,324
Tax Assessors	157,718	157,718	159,401	1,683
Public Buildings	25,000	25,000	34,046	9,046
Church Street Building	2,500	2,500	3,577	1,077
Oak Street Building	15,000	15,000	17,576	2,576
Elections	68,051	68,051	70,721	2,670
Contingency	100,000	100,000	61,384	(38,616)
Total - General Government	1,241,278	1,241,278	1,257,518	16,240
JUDICIAL				
Superior Court	141,000	141,000	144,515	3,515
Public Defender	42,000	42,000	42,701	701
District Attorney	22,888	22,888	22,563	(325)
Magistrate Court	49,895	49,895	47,299	(2,596)
Probate Court	155,147	155,147	158,284	3,137
Juvenile Court	26,095	26,095	66,477	40,382
Total - Judicial	437,025	437,025	481,839	44,814
PUBLIC SAFETY				
Sheriff's Office	873,512	873,512	871,413	(2,099)
Jail Board	337,500	337,500	401,382	63,882
Fire Department	88,925	88,925	94,020	5,095
Patten Detention Work Detail	19,750	19,750	19,085	(665)
Emergency Medical Services	120,000	120,000	122,504	2,504
Emergency Management	40,000	40,000	58,879	18,879
Office of the Coroner	12,500	12,500	12,584	84
911 Services	130,000	130,000	130,000	-
Animal Control	24,000	24,000	24,803	803
Total - Public Safety	1,646,187	1,646,187	1,734,670	88,483

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Final Budget Over (Under)
	Original	Final		
PUBLIC WORKS				
Roads Department	457,212	457,212	451,982	(5,230)
Solid Waste & Recycling	20,000	20,000	45,376	25,376
Total - Public Works	477,212	477,212	497,358	20,146
HEALTH AND WELFARE				
Nutrition Department	58,878	58,878	57,823	(1,055)
Public Health Department	53,924	53,924	53,924	-
Headstart	250	250	-	(250)
Department of Family and Children Services	16,722	16,722	9,485	(7,237)
Total - Health and Welfare	129,774	129,774	121,232	(8,542)
CULTURE AND RECREATION				
Recreation / Park Department	120,000	120,000	192,315	72,315
W. L. Miller Library	16,480	16,480	17,230	750
Total - Culture and Recreation	136,480	136,480	209,545	73,065
HOUSING AND DEVELOPMENT				
Forestry	10,115	10,115	10,115	-
Extension Agency	89,071	89,071	79,001	(10,070)
Code Enforcement	25,000	25,000	11,800	(13,200)
Chamber	5,000	5,000	5,000	-
Development Authority	85,763	85,763	85,763	-
Board of Equalization	3,000	3,000	2,338	(662)
Total - Housing and Development	217,949	217,949	194,017	(23,932)
TOTAL EXPENDITURES	4,285,905	4,285,905	4,496,179	210,274
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	-	(89,019)	(89,019)
OTHER FINANCING SOURCES				
Transfers In	-	-	8,305	8,305
NET CHANGE IN FUND BALANCE	-	-	(80,714)	(80,714)
FUND BALANCE, BEGINNING OF YEAR	-	-	2,301,983	2,301,983
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 2,221,269	\$ 2,221,269

See independent auditor's report.

LANIER COUNTY, GEORGIA
NOTES TO BUDGETARY COMPARISON SCHEDULES
For the Year Ended June 30, 2017

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.

LANIER COUNTY, GEORGIA
 REQUIRED SUPPLEMENTAL INFORMATION – PENSION PLAN
 June 30, 2017

LANIER COUNTY BOARD OF HEALTH

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 For the Year Ended June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability	0.002851%	0.002758%	0.002685%
Employer's proportion share of the net pension liability	134,864	111,738	100,704
Employer's covered-employee payroll during the measurement period	103,114	80,013	90,520
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	130.79%	139.65%	111.25%
Plan fiduciary net position as a percentage of the total pension liability	72.34%	76.20%	77.99%

Schedule of Contributions
 Employees' Retirement System
 For the Year Ended June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 16,372	\$ 13,839	\$ 11,141
Contributions in relation to the contractually required contribution	<u>16,389</u>	<u>13,849</u>	<u>11,161</u>
Contribution deficiency (excess)	<u>\$ (17)</u>	<u>\$ (10)</u>	<u>\$ (20)</u>
Employer's covered-employee payroll	103,114	80,013	90,520
Contributions as a percentage of covered-employee payroll	-0.02%	-0.01%	-0.02%

LANIER COUNTY BOARD OF HEALTH

Notes to Schedule:

Changes of benefit terms: A new benefit tier was added for members joining the System on and after July 1, 2009. A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2016.

Changes of assumptions: On December 2017, 2015, the board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contribution are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended June 30, 2017 reported in that schedule:

Valuation date	June 30, 2017
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	22.6 years
Asset valuation method	5-year smoothed market
Inflation rate	3.00%
Salary increases	5.45% - 9.25% including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

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.

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

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, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ 346,500	\$ 523,965	\$ 177,465
Investment income	-	-	1,406	1,406
	<u>-</u>	<u>346,500</u>	<u>525,371</u>	<u>178,871</u>
TOTAL REVENUES	-	346,500	525,371	178,871
EXPENDITURES				
Intergovernmental	-	229,521	197,535	(31,986)
Public works	-	116,979	228,807	111,828
	<u>-</u>	<u>346,500</u>	<u>426,342</u>	<u>79,842</u>
TOTAL EXPENDITURES	-	346,500	426,342	79,842
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	99,029	99,029
FUND BALANCE, BEGINNING OF YEAR	-	-	324,080	324,080
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,109</u>	<u>\$ 423,109</u>

LANIER COUNTY, GEORGIA
 PUBLIC ROAD FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 256,002	\$ 256,002	\$ 253,369	\$ (2,633)
TOTAL REVENUES	<u>256,002</u>	<u>256,002</u>	<u>253,369</u>	<u>(2,633)</u>
EXPENDITURES				
Current:				
Public works	<u>256,002</u>	<u>256,002</u>	<u>217,684</u>	<u>(38,318)</u>
TOTAL EXPENDITURES	<u>256,002</u>	<u>256,002</u>	<u>217,684</u>	<u>(38,318)</u>
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	35,685	35,685
OTHER FINANCING SOURCES				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	-	35,685	-
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>194,428</u>	<u>194,428</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,113</u>	<u>\$ 230,113</u>

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 fines 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 2017 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
 ALL NONMAJOR FUNDS
 COMBINING BALANCE SHEET
 June 30, 2017

	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 2017 Splost Fund	Total
ASSETS									
Cash	\$ 77,042	\$ 28,656	\$ 7,405	\$ 1,504	\$ 1,750	\$ 224,553	\$ 3,035	\$ 35	\$ 343,980
Notes receivable	110,661	-	-	-	-	-	-	-	110,661
Accounts receivable	-	525	1,225	507	129	-	-	-	2,386
TOTAL ASSETS	\$ 187,703	\$ 29,181	\$ 8,630	\$ 2,011	\$ 1,879	\$ 224,553	\$ 3,035	\$ 35	\$ 457,027
LIABILITIES AND FUND BALANCE									
LIABILITIES									
Accounts payable	-	-	5,640	1,479	-	-	-	-	7,119
Interfund payable	-	-	-	-	-	-	-	35	35
TOTAL LIABILITIES	-	-	5,640	1,479	-	-	-	35	7,154
FUND BALANCES									
Restricted for:									
Economic development	187,703	-	-	-	-	-	-	-	187,703
Law library	-	29,181	-	-	-	-	-	-	29,181
Jail operations	-	-	2,990	-	-	-	-	-	2,990
Victim Assistance	-	-	-	532	-	-	-	-	532
Drug education and treatment	-	-	-	-	1,879	-	-	-	1,879
Drug enforcement	-	-	-	-	-	224,553	3,035	-	227,588
TOTAL FUND BALANCES	187,703	29,181	2,990	532	1,879	224,553	3,035	-	449,873
TOTAL LIABILITIES	-	-	5,640	1,479	-	-	-	35	7,154
AND FUND BALANCES	\$ 187,703	\$ 29,181	\$ 8,630	\$ 2,011	\$ 1,879	\$ 224,553	\$ 3,035	\$ 35	\$ 457,027

See independent auditor's report.

LANIER COUNTY, GEORGIA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For The Year Ended June 30, 2017

	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 2017 SPLOST Fund	Total
REVENUES									
Fines and forfeitures	\$ -	\$ 6,900	\$ 13,920	\$ 5,853	\$ 3,542	\$ 5,151	\$ -	\$ -	\$ 35,366
Investment income	4,005	92	-	-	-	-	-	-	4,097
TOTAL REVENUES	4,005	6,992	13,920	5,853	3,542	5,151	-	-	39,463
EXPENDITURES									
Current:									
Judicial	-	1,280	-	7,959	-	-	-	-	9,239
Public safety	-	-	11,618	-	-	5,732	-	-	17,350
Health and welfare	-	-	-	-	6,160	-	-	-	6,160
TOTAL EXPENDITURES	-	1,280	11,618	7,959	6,160	5,732	-	-	32,749
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	4,005	5,712	2,302	(2,106)	(2,618)	(581)	-	-	6,714
OTHER FINANCING SOURCES (USES)									
Transfers In (Out)	-	(8,305)	-	-	-	-	-	-	(8,305)
TOTAL OTHER FINANCING SOURCES (USES)	-	(8,305)	-	-	-	-	-	-	(8,305)
NET CHANGES IN FUND BALANCE	4,005	(2,593)	2,302	(2,106)	(2,618)	(581)	-	-	(1,591)
FUND BALANCE, BEGINNING OF YEAR	183,698	31,774	688	2,638	4,497	225,134	3,035	-	451,464
FUND BALANCE, END OF YEAR	\$ 187,703	\$ 29,181	\$ 2,990	\$ 532	\$ 1,879	\$ 224,553	\$ 3,035	\$ -	\$ 449,873

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over (Under)</u>
REVENUES				
Investment income	<u>\$ 180,515</u>	<u>\$ 180,515</u>	<u>\$ 4,005</u>	<u>\$ (176,510)</u>
TOTAL REVENUES	<u>180,515</u>	<u>180,515</u>	<u>4,005</u>	<u>(176,510)</u>
EXPENDITURES				
Current:				
Housing and development	<u>180,515</u>	<u>180,515</u>	<u>-</u>	<u>(180,515)</u>
TOTAL EXPENDITURES	<u>180,515</u>	<u>180,515</u>	<u>-</u>	<u>(180,515)</u>
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	4,005	4,005
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>183,698</u>	<u>183,698</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,703</u>	<u>\$ 187,703</u>

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, 2017

		<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
		<u>Original</u>	<u>Final</u>		
REVENUES					
	Fines and forfeitures	\$ 26,728	\$ 26,728	\$ 6,900	\$ (19,828)
	Investment income	<u>-</u>	<u>-</u>	<u>92</u>	<u>92</u>
	TOTAL REVENUES	<u>26,728</u>	<u>26,728</u>	<u>6,992</u>	<u>(19,736)</u>
EXPENDITURES					
	Current:				
	Judicial	<u>26,728</u>	<u>26,728</u>	<u>1,280</u>	<u>(25,448)</u>
	TOTAL EXPENDITURES	<u>26,728</u>	<u>26,728</u>	<u>1,280</u>	<u>(25,448)</u>
	EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	5,712	5,712
	OTHER FINANCING SOURCES (USES)				
	Transfers In (Out)	<u>-</u>	<u>-</u>	<u>(8,305)</u>	<u>(8,305)</u>
	TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>(8,305)</u>	<u>(8,305)</u>
	REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	-	(2,593)	(2,593)
	FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>31,774</u>	<u>31,774</u>
	FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,181</u>	<u>\$ 12,571</u>

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	<u>\$ -</u>	<u>\$ 4,233</u>	<u>\$ 13,921</u>	<u>\$ 9,688</u>
TOTAL REVENUES	<u>-</u>	<u>4,233</u>	<u>13,921</u>	<u>9,688</u>
EXPENDITURES				
Current:				
Public safety	<u>-</u>	<u>4,233</u>	<u>11,618</u>	<u>7,385</u>
TOTAL EXPENDITURES	<u>-</u>	<u>4,233</u>	<u>11,618</u>	<u>7,385</u>
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	2,303	2,303
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>687</u>	<u>687</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,990</u>	<u>\$ 2,990</u>

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ -	\$ 3,675	\$ 5,853	\$ 2,178
TOTAL REVENUES	-	3,675	5,853	2,178
EXPENDITURES				
Current:				
Judicial	-	3,675	7,959	4,284
TOTAL EXPENDITURES	-	3,675	7,959	4,284
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	(2,106)	(2,106)
FUND BALANCE, BEGINNING OF YEAR	-	-	2,638	2,638
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 532	\$ 532

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ -	\$ 4,516	\$ 3,542	\$ (974)
TOTAL REVENUES	-	4,516	3,542	(974)
EXPENDITURES				
Current:				
Health and welfare	-	4,516	6,159	1,643
TOTAL EXPENDITURES	-	4,516	6,159	1,643
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	(2,617)	(2,617)
FUND BALANCE, BEGINNING OF YEAR	-	-	4,496	4,496
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 1,879	\$ 1,879

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	<u>\$ 112,443</u>	<u>\$ 112,443</u>	<u>\$ 5,151</u>	<u>\$ (107,292)</u>
TOTAL REVENUES	<u>112,443</u>	<u>112,443</u>	<u>5,151</u>	<u>(107,292)</u>
EXPENDITURES				
Current:				
Public safety	<u>112,443</u>	<u>112,443</u>	<u>5,732</u>	<u>(106,711)</u>
TOTAL EXPENDITURES	<u>112,443</u>	<u>112,443</u>	<u>5,732</u>	<u>(106,711)</u>
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	(581)	(581)
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>225,134</u>	<u>225,134</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,553</u>	<u>\$ 224,553</u>

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, 2017

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

See independent auditor's report.

LANIER COUNTY, GEORGIA
 2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Intergovernmental	-	-	-	-
Public works	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 and 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, 2017

	AGENCY FUNDS					<u>TOTAL</u>
	<u>TAX COMMISSIONER</u>	<u>PROBATE JUDGE</u>	<u>CLERK OF SUPERIOR COURT</u>	<u>OFFICE OF SHERIFF</u>	<u>MAGISTRATE COURT</u>	
ASSETS						
Cash	\$ 615,066	\$ 17,265	\$ 64,064	\$ 5,941	\$ 8,206	\$ 710,542
TOTAL ASSETS	<u>\$ 615,066</u>	<u>\$ 17,265</u>	<u>\$ 64,064</u>	<u>\$ 5,941</u>	<u>\$ 8,206</u>	<u>\$ 710,542</u>
LIABILITIES AND NET POSITION						
LIABILITIES						
Due to others	\$ 615,066	\$ 17,265	\$ 64,064	\$ 5,941	\$ 8,206	\$ 710,542
TOTAL LIABILITIES	<u>\$ 615,066</u>	<u>\$ 17,265</u>	<u>\$ 64,064</u>	<u>\$ 5,941</u>	<u>\$ 8,206</u>	<u>\$ 710,542</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

LANIER COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 For The Year Ending June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>OFFICE OF TAX COMMISSIONER</u>				
ASSETS				
Cash	\$ 472,887	\$ 7,664,682	\$ 7,522,503	\$ 615,066
TOTAL ASSETS	<u>\$ 472,887</u>	<u>\$ 7,664,682</u>	<u>\$ 7,522,503</u>	<u>\$ 615,066</u>
LIABILITIES				
Due to others	\$ 472,887	\$ 7,664,682	\$ 7,522,503	\$ 615,066
TOTAL LIABILITIES	<u>\$ 472,887</u>	<u>\$ 7,664,682</u>	<u>\$ 7,522,503</u>	<u>\$ 615,066</u>
<u>PROBATE JUDGE</u>				
ASSETS				
Cash	\$ 19,158	\$ 192,972	\$ 194,865	\$ 17,265
TOTAL ASSETS	<u>\$ 19,158</u>	<u>\$ 192,972</u>	<u>\$ 194,865</u>	<u>\$ 17,265</u>
LIABILITIES				
Due to others	\$ 19,158	\$ 192,972	\$ 194,865	\$ 17,265
TOTAL LIABILITIES	<u>\$ 19,158</u>	<u>\$ 192,972</u>	<u>\$ 194,865</u>	<u>\$ 17,265</u>
<u>CLERK OF COURT</u>				
ASSETS				
Cash	\$ 69,102	\$ 301,573	\$ 306,611	\$ 64,064
TOTAL ASSETS	<u>\$ 69,102</u>	<u>\$ 301,573</u>	<u>\$ 306,611</u>	<u>\$ 64,064</u>
LIABILITIES				
Due to others	\$ 69,102	\$ 301,573	\$ 306,611	\$ 64,064
TOTAL LIABILITIES	<u>\$ 69,102</u>	<u>\$ 301,573</u>	<u>\$ 306,611</u>	<u>\$ 64,064</u>

See independent auditor's report.

LANIER COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 For The Year Ending June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>OFFICE OF SHERIFF</u>				
ASSETS				
Cash	\$ 4,197	\$ 49,172	\$ 47,428	\$ 5,941
TOTAL ASSETS	<u>\$ 4,197</u>	<u>\$ 49,172</u>	<u>\$ 47,428</u>	<u>\$ 5,941</u>
LIABILITIES				
Due to others	\$ 4,197	\$ 49,172	\$ 47,428	\$ 5,941
TOTAL LIABILITIES	<u>\$ 4,197</u>	<u>\$ 49,172</u>	<u>\$ 47,428</u>	<u>\$ 5,941</u>
<u>MAGISTRATE COURT</u>				
ASSETS				
Cash	\$ 7,271	\$ 87,227	\$ 86,292	\$ 8,206
TOTAL ASSETS	<u>\$ 7,271</u>	<u>\$ 87,227</u>	<u>\$ 86,292</u>	<u>\$ 8,206</u>
LIABILITIES				
Due to others	\$ 7,271	\$ 87,227	\$ 86,292	\$ 8,206
TOTAL LIABILITIES	<u>\$ 7,271</u>	<u>\$ 87,227</u>	<u>\$ 86,292</u>	<u>\$ 8,206</u>

See independent auditor's report.

COMPLIANCE SECTION

LANIER COUNTY, GEORGIA
 SCHEDULE OF PROJECTS FUNDED BY SPECIAL PURPOSE SALES TAX PROCEEDS
 For The Year Ended June 30, 2017

	Original Estimated <u>Cost</u>	Current Estimated <u>Cost</u>	Prior <u>Years</u>	Current <u>Year</u>	<u>Total</u>	Estimated Percentage of <u>Completion</u>
2012 SPLOST						
Roads, streets and bridge purposes	\$ 6,230,000	\$ 2,492,000	\$ 1,199,079	\$ 228,807	\$ 1,427,886	57.30%
City of Lakeland	<u>3,770,000</u>	<u>1,508,000</u>	<u>792,473</u>	<u>197,535</u>	<u>990,008</u>	65.65%
Totals	<u>\$ 10,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 1,991,552</u>	<u>\$ 426,342</u>	<u>\$ 2,417,894</u>	

	Original Estimated <u>Cost</u>	Current Estimated <u>Cost</u>	Prior <u>Years</u>	Current <u>Year</u>	<u>Total</u>	Estimated Percentage of <u>Completion</u>
2017 SPLOST						
Roads, streets and bridge purposes	\$ 7,493,625	\$ 7,493,625	\$ -	\$ -	\$ -	0.00%
Park & Recreation Project	832,625	832,625	-	-	-	0.00%
City of Lakeland	<u>4,173,750</u>	<u>4,173,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	0.00%
Totals	<u>\$ 12,500,000</u>	<u>\$ 12,500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

See independent auditor's report.

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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, 2017, 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 March 19, 2018.

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 2017-1 and 2017-2.

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
March 19, 2018

LANIER COUNTY, GEORGIA
 SCHEDULE OF FINDINGS AND RESPONSES
 Year Ended June 30, 2017

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified	
Internal control over financial reporting		
Material weakness identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified not considered to be material weakness?	<u> X </u> Yes	<u> </u> None reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Section II – Financial Statement Findings

Current Year Findings

2017-1 – 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.

2017-1 – 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.

2017-1 – Cause

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

2017-1 – 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.

LANIER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2017

2017-1 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.

2017-1 – 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.

2017-2 - Criteria – Appropriations in Excess of Budgets

Lanier County has established the "legal level of control" for budgetary purposes at the department level. Georgia Statutes, O.C.G.A. 36-81-3(d)(1) states, "Any increase in appropriation at the legal level of control of the local government, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the governing authority. Such amendment shall be adopted by ordinance or resolution."

2017-2 – Violation

Per note 15 several departments in the General Fund and special revenue and capital project funds had expenditures that exceeded appropriations.

2017-2 – Effect

The effect of this finding is a violation of Georgia Statutes (O.C.G.A. 36-81-3(d)(1)).

2017-2 – Cause

Unexpected expenditures in some department funds were incurred that did not result in amendments to the budget.

2017-2 Recommendation

Monthly budget reports should be monitored more closely and when any unexpected expenditure occurs, budget amendments should be presented to the Board of Commissioners to adjust the budget to account for the source of revenue that will cover the expenditure.

LANIER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2017

2017-2 – Management Response

Management shall stress again to the Board of Commissioners and Elected Officials the importance of this finding. The County Clerk will provide budget amendments to the Board of Commissioners when any unexpected expenditures occur or when the expenditures are higher than expected when the budget was adopted.

Prior Year Findings:

2017-1 was also a finding in the prior year.