LANIER COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For The Year Ended June 30, 2013

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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, 2013, 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.

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, 2013, 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.

Emphasis of Matter

In 2013, the County adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and GASB Statement No.65, *Items Previously Reported as Assets and Liabilities.* Those standards modified terminology and presentation of certain accounts and change the accounting for bond issuance cost. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–10 and 35–43 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 February 14, 2014, 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
February 14, 2014

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, 2013. 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 FY13 are as follows:

The County's total net position increased by $725,575.

The County's governmental fund assets exceeded its liabilities and deferred inflows of resources at June 30, 2013 by $5.060.996 (net position). Of this amount $1,190,173 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current year, unassigned fund balance for the General Fund increased by $409,023, resulting in a fund balance of $1,013,000.

Overview of the Financial Statements

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

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

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

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

Government-Wide Financial Statements

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

Statement of Net Position and the Statement of Activities

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position:

Lanier County's Net Position

	Governmental Activities		Total Percentage Change
	2012	**2013**	**2012-2013**
Assets			
Current and other assets	$ 1,396,872	$ 1,918,382	37.33%
Capital assets, net	3,827,377	4,071,502	6.38%
Total Assets	**5,224,249**	**5,989,884**	14.66%
Liabilities			
Current and other liabilities	657,054	365,498	-44.37%
Long-term liabilities	233,774	559,788	139.46%
Total Liabilities	**890,828**	**925,286**	3.87%
Deferred Inflows of Resources	-	3,602	0.00%
Net Position			
Net investment in capital assets	3,335,216	3,412,870	2.33%
Restricted	276,892	457,953	65.39%
Unrestricted	721,313	1,190,173	65.00%
Total Net Position	**$ 4,333,421**	**$ 5,060,996**	16.79%

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 $5,060,996 as of June 30, 2013. A large portion of the County's net position (67%) reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (9 percent) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets ($1,190,173) 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, 2013.

Changes in Lanier County's Net Position

	Governmental Activities		Total Percentage Change
	2012	**2013**	**2012-2013**
Revenues			
Program Revenues			
Charges for services	$ 581,327	$ 702,960	20.92%
Operating grants and contributions	58,602	28,226	-51.83%
Capital grants and contributions	265,756	390,608	100.00%
Total Program Revenues	905,685	1,121,794	23.86%
General Revenues			
Property taxes	2,627,253	2,643,502	0.62%
Sales taxes	845,163	852,923	0.92%
Timber taxes	16,767	35,844	113.78%
Insurance premium taxes	280,740	299,920	6.83%
Other taxes	84,364	103,638	22.85%
Interest, penalties and costs - taxes	101,462	94,630	-6.73%
Miscellaneous	16,155	54,383	100.00%
Total General Revenues	3,971,904	4,084,840	2.84%
Total Revenues	**4,877,589**	**5,206,634**	**6.75%**
Expenses			
Governmental Activities:			
General Government			
Legislative and executive	$ 1,170,163	$ 1,117,096	-4.54%
Judicial	430,699	428,107	-0.60%
Public safety	1,550,816	1,578,240	1.77%
Public works	886,298	901,361	1.70%
Health and welfare	107,741	111,589	3.57%
Culture and recreation	167,078	167,758	0.41%
Housing and development	167,176	163,934	100.00%
Interest on long-term debt	13,889	10,974	-20.99%
Total Expenses	4,493,860	4,479,059	-0.33%
Change in Net Position	**383,729**	**$ 727,575**	**89.61%**
Net Position, Beginning	3,949,692	4,333,421	9.72%
Net Position, Ending	**$ 4,333,421**	**$ 5,060,996**	**16.79%**

Governmental Activities

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

Net Cost of Lanier County's Governmental Activities

Function	Total Cost of Services 2012	Total Cost of Services 2013	Percentage Change 2012-2013	Net Cost of Services 2012	Net Cost of Services 2013	Percentage Change 2012-2013
General Government						
Legislative and executive	$ 1,170,163	$ 1,117,096	-4.54%	$ 1,037,709	$ 1,000,449	-3.59%
Judicial	430,699	428,107	-0.60%	123,656	181,786	47.01%
Public safety	1,550,816	1,578,240	1.77%	1,390,119	1,469,381	5.70%
Public works	886,298	901,361	1.70%	627,881	317,552	-49.42%
Health and welfare	107,741	111,589	3.57%	83,114	85,084	2.37%
Culture and recreation	167,078	167,758	0.41%	144,631	128,105	-11.43%
Housing and development	167,176	163,934	100.00%	167,176	163,934	-1.94%
Interest on long-term debt	13,889	10,974	-20.99%	13,889	10,974	-20.99%
Total	**$ 4,493,860**	**$ 4,479,059**	**-0.33%**	**$ 3,588,175**	**$ 3,357,265**	**-6.44%**

Financial Analysis of County Funds

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

Governmental Funds

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

As of June 30, 2013, the County's governmental funds reported a combined ending fund balance of $1,480,511, an increase of $880,869.

The General Fund is the primary operating fund of the County. At the end of June 30, 2013, the unassigned fund balance was $ 983,458.

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, 2013, was $3,412,870 (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 FY13 included the acquisition of two motor graders and an excavator for the road department..

Note 6 (Capital Assets) provides additional information about capital asset activity during FY13.

Debt

At June 30, 2013, the County had total capital lease debt outstanding of $658,632.

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

Economic Factors

Local option sales tax increased .92% in FY13 while overall general fund revenues increased 4.6%.

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, 2013

	Primary Government		Component Unit
	Governmental Activities	Total	Lanier County Board of Health
ASSETS			
Cash	$ 1,349,873	$ 1,349,873	$ 142,041
Prepaid expense	29,542	29,542	-
Taxes receivable	259,567	259,567	-
Accounts receivable	196,829	196,829	-
Due from other governments	82,571	82,571	6,869
Nondepreciable capital assets	65,457	65,457	-
Depreciable capital assets, net	4,006,045	4,006,045	2,420
TOTAL ASSETS	5,989,884	5,989,884	151,330
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	131,894	131,894	-
Accrued liabilities	61,100	61,100	-
Due to other governments	33,316	33,316	-
NONCURRENT LIABILITIES:			
Due within one year:			
Capital leases payable	117,393	117,393	-
Compensated absences	9,739	9,739	1,334
Landfill postclosure cost	12,056	12,056	
Due in more than one year:			
Capital leases payable	541,239	541,239	-
Compensated absences	6,493	6,493	889
Landfill postclosure cost	12,056	12,056	-
TOTAL LIABILITIES	$ 925,286	$ 925,286	$ 2,223
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	3,602	3,602	-
COMBINED LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 928,888	$ 928,888	$ 2,223
NET POSITION			
Net investment capital assets	3,412,870	3,412,870	2,420
Restricted for:			
Capital projects	230,724	230,724	-
Economic improvement loans	181,989	181,989	-
Drug enforcement	11,203	11,203	-
Drug education and treatment	12,672	12,672	-
Victim assistance	2,148	2,148	-
Law library	18,685	18,685	-
Burnt Church building	532	532	-
Prior year program income	-	-	53,393
Special health programs	-	-	12,191
Unrestricted	1,190,173	1,190,173	81,103
TOTAL NET POSITION	$ 5,060,996	$ 5,060,996	$ 149,107

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

LANIER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2013

FUNCTION/PROGRAM	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions, and Interest	Program Revenues: Capital Grants, Contributions, and Interest
Primary Government:				
GOVERNMENTAL ACTIVITIES				
General government				
Legislative	$ 1,117,096	$ 113,589	$ 3,058	$ -
Judicial	428,107	246,213	108	-
Public Safety	1,578,240	108,859	-	-
Public Works	901,361	191,175	2,026	390,608
Health and Welfare	111,589	5,910	20,595	-
Culture and Recreation	167,758	37,214	2,439	-
Housing and Development	163,934	-	-	-
Interest on Long-term Debt	10,974	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	4,479,059	702,960	28,226	390,608
TOTAL PRIMARY GOVERNMENT	$ 4,479,059	702,960	28,226	390,608
COMPONENTS UNITS				
Lanier County Board of Health	$ 207,571	$ 53,393	$ 157,889	$ -
TOTAL COMPONENT UNITS	$ 207,571	$ 53,393	$ 157,889	$ -
GENERAL REVENUES				
Property taxes, levied for general purposes				
Timber taxes				
Sales taxes				
Real estate transfer taxes				
Insurance premium taxes				
Beer and wine taxes				
Energy excise taxes				
Financial institutions				
Intangible recording taxes				
Interest and penalties - delinquent taxes				
Other revenues				
TOTAL GENERAL REVENUES				
CHANGES IN NET POSITION				
NET POSITION, BEGINNING OF YEAR				
NET POSITION, END OF YEAR				

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

Activities		
Primary Government		Component Unit
Governmental Activities	Total	Lanier County Board of Health
$ (1,000,449)	$ (1,000,449)	$ -
(181,786)	(181,786)	-
(1,469,381)	(1,469,381)	-
(317,552)	(317,552)	-
(85,084)	(85,084)	-
(128,105)	(128,105)	-
(163,934)	(163,934)	-
(10,974)	(10,974)	-
(3,357,265)	(3,357,265)	-
(3,357,265)	(3,357,265)	-
$ -	$ -	$ 3,711
$ -	$ -	$ 3,711
2,643,502	2,643,502	-
35,844	35,844	-
852,923	852,923	-
7,042	7,042	-
299,920	299,920	-
42,146	42,146	-
107	107	-
9,891	9,891	-
44,452	44,452	-
94,630	94,630	-
54,383	54,383	-
4,084,840	4,084,840	-
727,575	727,575	3,711
4,333,421	4,333,421	145,396
$ 5,060,996	$ 5,060,996	$ 149,107

LANIER COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2013

		Capital Projects Funds		Special Revenue Funds		
	General Fund	2007 Special Purpose Sales Tax Fund	Public Roads Fund	Revolving Loan Fund	Other Governmental Funds	Total
ASSETS						
Cash	$ 880,888	$ 78,486	$ 159,237	$ 179,355	$ 51,907	$ 1,349,873
Prepaid expense	29,542	-	-	-	-	29,542
Taxes receivable	259,567	-	-	-	-	259,567
Accounts receivable	191,304	-	-	2,634	2,436	196,374
Due from other governments	38,227	44,344	-	-	-	82,571
TOTAL ASSETS	1,399,528	122,830	159,237	181,989	54,343	1,917,927
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	113,867	18,027	-	-	-	131,894
Accrued liabilities	61,100	-	-	-	-	61,100
Due to other governments	-	33,316	-	-	-	33,316
TOTAL LIABILITIES	174,967	51,343	-	-	-	226,310
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	211,561	-	-	-	-	211,561
TOTAL DEFERRED INFLOWS OF RESOURCES	211,561	-	-	-	-	211,561
FUND BALANCES						
Nonspendable for:						
Prepaid expense	29,542	-	-	-	-	29,542
Restricted for:						
Capital projects	-	71,487	159,237	-	-	230,724
Jail operations	-	-	-	-	9,558	9,558
Economic improvement loans	-	-	-	181,989	-	181,989
Drug enforcement	-	-	-	-	11,203	11,203
Drug education and treatment	-	-	-	-	12,672	12,672
Victim assistance	-	-	-	-	2,148	2,148
Law library	-	-	-	-	18,685	18,685
Burnt Church building	-	-	-	-	532	532
Unassigned reported in:						
General Fund	983,458	-	-	-	-	983,458
TOTAL FUND BALANCES	1,013,000	71,487	159,237	181,989	54,798	1,480,511
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,399,528	$ 122,830	$ 159,237	$ 181,989	$ 54,798	$ 1,918,382

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, 2013

Total Governmental Fund Balances		$ 1,480,511
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	$ 6,597,652	
Less accumulated depreciation	(2,526,150)	4,071,502
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental activities.		
Capital leases payable	(658,632)	
Accrued compensated absences	(16,232)	
Accrued postclosure cost	(24,112)	(698,976)
Deferred revenue in governmental activities are susceptible to full accrual in the government-wide statement of net position.		
Deferred revenues		207,959
Net Position of Governmental Activities		$ 5,060,996

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

LANIER COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For The Year Ended June 30, 2013

	General Fund	Capital Projects Funds: 2007 Special Purpose Sales Tax Fund	Capital Projects Funds: Public Roads Fund	Special Revenue Funds: Revolving Loan Fund	Special Revenue Funds: Other Governmental Funds	Total
REVENUES						
Taxes	$ 3,438,265	$ 568,607	$ -	$ -	$ -	$ 4,006,872
Licenses and permits	28,341	-	-	-	-	28,341
Intergovernmental revenues	199,210	-	159,237	-	231,371	589,818
Charges for services	280,885	-	-	-	-	280,885
Fines and forfeitures	151,160	-	-	-	54,888	206,048
Investment income	3,058	188	-	1,837	108	5,191
Miscellaneous	46,049	-	-	-	-	46,049
TOTAL REVENUES	4,146,968	568,795	159,237	1,837	286,367	5,163,204
EXPENDITURES						
Current:						
General Government						
Legislative and executive	1,060,309	-	-	-	-	1,060,309
Judicial	416,287	-	-	-	11,820	428,107
Public safety	1,447,624	-	-	-	19,019	1,466,643
Public works	283,924	332,010	-	-	6,463	622,397
Health and welfare	96,442	-	-	-	10,300	106,742
Culture and recreation	141,390	-	-	-	-	141,390
Housing and development	161,812	-	-	-	-	161,812
Intergovernmental	-	221,097	-	-	-	221,097
Capital Outlay	542,722	-	-	-	224,908	767,630
Debt Service						
Principle retirement	44,189	-	-	-	-	44,189
Interest	10,974	-	-	-	-	10,974
TOTAL EXPENDITURES	4,205,673	553,107	-	-	272,510	5,031,290
EXCESS OF REVENUES (UNDER) EXPENDITURES	(58,705)	15,688	159,237	1,837	13,857	131,914
OTHER FINANCING SOURCES (USES):						
Capital Lease Financing	467,728	-	-	-	-	467,728
TOTAL OTHER FINANCING SOURCES (USES)	467,728	-	-	-	-	467,728
NET CHANGE IN FUND BALANCE	409,023	15,688	159,237	1,837	13,857	599,642
FUND BALANCE, BEGINNING OF YEAR	603,977	55,799	-	180,152	40,941	880,869
FUND BALANCE, END OF YEAR	$ 1,013,000	$ 71,487	$ 159,237	$ 181,989	$ 54,798	$ 1,480,511

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, 2013

Net Change in Fund Balances - Total Governmental Funds		$ 599,642
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	813,610	
Current year depreciation expense	(323,564)	490,046
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	30,162	
Capital lease financing	(467,728)	(437,566)
Some expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds:		
Loss of disposal of capital assets	(245,921)	
Compensated absences	8,061	
Landfill postclosure cost	12,056	(225,804)
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		301,257
Change in Net Position of Governmental Activities		$ 727,575

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

LANIER COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2013

	Agency Funds
ASSETS	
Cash	$ 482,918
TOTAL ASSETS	$ 482,918
LIABILITIES	
Due to others	$ 482,918
TOTAL LIABILITIES	482,918
NET POSITION	$ -

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

Note 1 – Reporting Entity

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

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

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

The Lanier County Board of Health is a component unit based on the criteria of the County appointing a voting majority to the board, the County's ability to impose its will and fiscal dependency. The balance sheet and statement of revenues, expenditures, and changes in fund balance for Lanier County Board of Health are presented in these financial statements using the method of discrete presentation. A complete set of financial statements for the Lanier County Board of Health is presented in a separate report and can be obtained from the South Health District office and should be addressed to the Finance Director, 325 West Savannah Avenue, Valdosta, Georgia 31603. Lanier County provided $64,918 in funding to the Board of Health for the year ending June 30, 2013

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 $6,504 to the Regional Commission for the year ended June 30, 2013. The Regional Commission Board membership includes the Chief elected official of each county and municipality. The County Board members and municipal Board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from the County.

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

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

Southern Georgia Regional Commission
3395 Harris Road
Waycross. Georgia 31503

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Note 2 – Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

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Note 2 - Summary of Significant Accounting Policies - Continued

B. Fund Accounting - Continuted

Governmental Funds

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

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

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

Public Roads Fund. The Public Roads Fund accounts for the Local Motor Vehicle Improvement Grant (LMIG) funds used for road improvements.

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

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

Fiduciary Funds

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

C. Measurement Focus

Government-Wide Financial Statements

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

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Note 2 - Summary of Significant Accounting Policies - Continued

C. Measurement Focus - Continued

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues—Exchange and Nonexchange Transactions

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

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

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Note 2 - Summary of Significant Accounting Policies - Continued

Revenues—Exchange and Nonexchange Transactions - Continued

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

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenue, with 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, 2013, but were levied to finance FY13 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 FY13 has been recognized as deferred inflows of resources on the statement of net position and governmental fund financial statements.

Expenses/Expenditures

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

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

E. Budgetary Process

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

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Note 2 - Summary of Significant Accounting Policies – Continued

E. Budgetary Process - Continued

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

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

2. Public hearings are conducted to obtain taxpayers' comments. Notice is given at least ten days in advance by publication in the official organ of Lanier County.

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

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

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

F. Encumbrances

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

G. Cash and Investments

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

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

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

H. Prepaid Expenses

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

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Note 2 - Summary of Significant Accounting Policies - Continued

I. Inventory

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

J Restricted Assets

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

K. Capital Assets

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

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

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

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

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

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

L. Interfund Receivables/Payables

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

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Note 2 - Summary of Significant Accounting Policies - Continued

M. Compensated Absences

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

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

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

N. Accrued Liabilities and Long-Term Obligations

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

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

O. Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net 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 are available.

P. Fund Equity

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

Fund Balance

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

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Note 2 - Summary of Significant Accounting Policies - Continued

P. Fund Equity - Continued

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.

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Note 2 - Summary of Significant Accounting Policies - Continued

Q. Interfund Transactions

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

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

R. Management Estimates

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

Note 3 - Deposits and Investments

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

At June 30, 2013 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	$ 22,172
Georgia Department of Transportation	16,055
Total - General Fund	$ 38,227
Capital Project Funds	
2007 SPLOST Fund	
Georgia Department of Revenue	$ 44,344
Total - Due From Other Governments	$ 82,571

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Note 5- Property Taxes

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

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

Note 6 – Capital Assets

A summary of the changes in general capital assets for the year ended June 30, 2013 is as follows:

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land and improvements	$ 65,457	$ -	$ -	$ 65,457
Construction in progress	208,077	74,994	283,071	-
Total Nondepreciable Capital Assets	273,534	74,994	283,071	65,457
Depreciable Capital Assets:				
Buildings and building improvements	$ 1,571,416	$ -	$ -	$ 1,571,416
Infrastructure	1,454,597	507,979	-	1,962,576
Paving, landscaping and improvements	325,235	-	-	325,235
Vehicles	830,762	-	-	830,762
Machinery and equipment	1,868,208	513,708	539,710	1,842,206
Total Depreciable Capital Assets	6,050,218	1,021,687	539,710	6,532,195
Less Accumulated Depreciation for:				
Buildings and building improvements	761,146	42,042	-	803,188
Infrastructure	85,699	35,865	-	121,564
Paving, landscaping and improvements	135,790	16,731	-	152,521
Vehicles	459,755	61,796	-	521,551
Machinery and equipment	1,053,985	167,130	293,789	927,326
Total Accumulated Depreciation	2,496,375	323,564	293,789	2,526,150
Total Depreciable Capital Assets, Net	3,553,843	698,123	245,921	4,006,045
Governmental Activities Capital Assets, Net	$ 3,827,377	$ 773,117	$ 528,992	$ 4,071,502

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Depreciation was charged to governmental functions as follows:

Governmental activities:	
General Government	
Legislative and Executive	$ 64,848
Public Safety	114,401
Public Works	113,782
Health and Welfare	4,847
Culture and Recreation	23,565
Housing and Development	2,121
Total Depreciation Expense - Governmental Activities	$ 323,564

Note 7 – Compensated Absences

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

	Balance at June 30, 2012	Additions	Reductions	Balance at June 30, 2013	Amount Due In One Year
Primary Government:					
Governmental Activities:					
Compensated absences	$ 24,293	$ 6,515	$ 14,576	$ 16,232	$ 9,739
Total Primary Government	$ 24,293	$ 6,515	$ 14,576	$ 16,232	$ 9,739
Component Unit - Board of Health:					
Compensated absences	$ 15,898	$ 14,429	$ 28,104	$ 2,223	$ 1,334

Note 8 – Tax Anticipation Note

During the fiscal year the County borrowed funds from a Tax Anticipation Note and repaid that loan by December 31, 2012.

	Balance at June 30, 2012	Additions	Reductions	Balance at June 30, 2013
Governmental Activities				
TAN Note Payable	$ -	$ 1,200,000	$ 1,200,000	$ -
Total Governmental Activities	$ -	$ 1,200,000	$ 1,200,000	$ -

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Note 9 - Long-Term Debt

The following is a summary of the debt transactions of the County for the fiscal year ended June 30, 2013:

	Balance at June 30, 2012	Additions	Reductions	Balance at June 30, 2013	Amount Due In One Year
Governmental Activities					
Capital leases	$ 492,161	$ 467,728	$ 301,257	$ 658,632	$ 117,393
Total Governmental Activities	$ 492,161	$ 467,728	$ 301,257	$ 658,632	$ 117,393

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

	Purpose	Original Issue Date	Interest Rate	Original Issue Amount	Maturity Date
Governmental Activities					
Capital Lease	Tractor	2009	5.50%	$ 36,570	2014
Capital Lease	Motor Grader	2009	4.90%	$ 91,775	2014
Capital Lease	Park Lights	2012	5.45%	$ 150,000	2021
Capital Lease	Sheriff Vehicles	2012	6.00%	$ 77,205	2014
Capital Lease	Motor Graders	2013	2.14%	$ 383,902	2018
Capital Lease	Excavator	2013	2.30%	$ 83,826	2017

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

	Governmental Activities	
	Capital Leases	
Year Ending June 30,	Principal	Interest
2014	117,393	20,476
2015	77,337	14,979
2016	56,842	12,993
2017	58,593	11,242
2018	294,639	8,199
2019-2020	53,828	6,125
Total	$ 658,632	$ 74,014

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Note 10 – Landfill-Postclosure Costs

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

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

	Balance at July1, 2012	Additions	Reductions	Balance at June 30, 2013	Amount Due In One Year
Governmental Activities					
Landfill postclosure cost	$ 36,168	$ -	$ 12,056	$ 24,112	$ 12,056
Total Governmental Activities	$ 36,168	$ -	$ 12,056	$ 24,112	$ 12,056

Note 11 – Component Units

Lanier County Board of Health

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

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

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

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

Property and equipment as of June 30, 2013, was as follows:

Equipment	$ 28,679
Less Accumulated Depreciation	(26,259)
Net Property and Equipment	$ 2,420

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Note 11 – Component Units - Continued

Lanier County Board of Health

Retirement Plan

The employees of the Health Department participate in the Georgia State Employees Retirement System, a multi-employer, defined contribution plan. The Plan is administered by the State of Georgia, and accumulated benefits and Plan assets are not determined or allocated to the individual participating governmental entities. The Georgia State Employees' Retirement System of Georgia requires ten years of continuous service to become fully vested. Employees are required to pay 1.25% of gross earnings to the retirement account and .25% of gross earnings to the GTLI premiums except for employees covered by the the new GSEPS plan that was effective January 1, 2009. The GSEPS plan employees contribute 1.25% of their gross pay and are not eligible for the GTLI. GSEPS participants are also eligible to participate in a 401K Plan with employer match contributions based on employee contributions. The Lanier County Board of Health makes annual contributions to the pension plan equal to the amount required as set by the Board of Trustees of the PERS as determined by the system's actuary. Employer contributions amounted to 13.71%, 18.46% and 15.18% of covered compensation for the fiscal year for participants in the old, new and GSEPS plan respectively for the year ended June 30, 2013. Employer contributions made for the year ended June 30, 2013 totaled $7,924. Ten-year historical trend information and relevant actuarial information may be obtained from the Employee's Retirement System, Two Northside 75, Suite 300, Atlanta, Georgia 30316-7778 or calling 1-404-352-6400.

Note 12 – Operating Leases

The County leases office space to other governmental agencies under a one year lease agreement and on a month-to-month basis. Rental income was $13,800 for the year ending June 30, 2013. 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 $60,000 for the year ending June 30, 2013.

Note 13 – Contingent Liabilities

There was no pending litigation, claims, or assessments against the County at June 30, 2013. In the opinion of County management, there were no unasserted claims or assessments that might have a material effect on the financial condition of the County.

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

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Note 14 – 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, 2013, the plan members contributed $21,401 and the County contributed $12,879 to the plan.

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

Deferred Compensation Plan:

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

Other Pension Plans:

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

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

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

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Note 14 – Retirement Benefits - Continued

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

GEBCorp
400 Galleria Parkway
Suite 1250
Atlanta, Georgia 30339

Note 15 – Risk Financing Activities

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

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

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

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

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

Note 16 – Subsequent Event

Subsequent events were evaluated through February 14, 2014, which is the date of the financial statements were available to be issued.

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REQUIRED SUPPLEMENTAL INFORMATION

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LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 3,340,539	$ 3,340,539	$ 3,438,265	$ 97,726
Licenses and permits	35,112	28,634	28,341	(293)
Intergovernmental Revenues	198,794	198,794	199,210	416
Charges for services	189,772	189,772	280,885	91,113
Fines and forfeitures	203,698	151,198	151,160	(38)
Investment income	4,230	3,680	3,058	(622)
Miscellaneous	78,815	46,065	46,049	(16)
TOTAL REVENUES	**4,050,960**	**3,958,682**	**4,146,968**	**188,286**

See independent auditor's report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
EXPENDITURES				
GENERAL GOVERNMENT				
Commissioners' Office				
Operating	210,000	210,000	207,033	(2,967)
Total	210,000	210,000	207,033	(2,967)
Courthouse / Administration				
Operating	325,000	445,000	444,255	(745)
Total	325,000	445,000	444,255	(745)
Sundry				
Operating	100,000	500	360	(140)
Total	100,000	500	360	(140)
Tax Commissioner				
Operating	158,378	167,878	167,357	(521)
Total	158,378	167,878	167,357	(521)
Tax Assessors				
Operating	118,000	139,000	138,469	(531)
Total	118,000	139,000	138,469	(531)
Public Buildings				
Operating	23,000	23,000	22,085	(915)
Total	23,000	23,000	22,085	(915)
Church Street Building				
Operating	2,800	3,000	2,904	(96)
Total	2,800	3,000	2,904	(96)
Oak Street Building				
Operating	20,700	20,700	19,409	(1,291)
Total	20,700	20,700	19,409	(1,291)
Elections				
Operating	50,000	59,000	58,437	(563)
Total	50,000	59,000	58,437	(563)
Contingency				
Operating	100,000	100,000	-	(100,000)
	100,000	100,000	-	(100,000)
Total - General Government	**1,107,878**	**1,168,078**	**1,060,309**	**(107,769)**

See independent auditor's report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
JUDICIAL				
Superior Court				
Operating	$ 145,700	$ 145,700	$ 138,742	$ (6,958)
	145,700	145,700	138,742	(6,958)
Public Defender				
Operating	34,255	38,255	37,806	(449)
	34,255	38,255	37,806	(449)
District Attorney				
Operating	15,900	15,900	15,455	(445)
	15,900	15,900	15,455	(445)
Magistrate Court				
Operating	44,828	48,328	48,158	(170)
	44,828	48,328	48,158	(170)
Probate Court				
Operating	149,500	155,100	154,986	(114)
	149,500	155,100	154,986	(114)
Juvenile Court				
Operating	17,384	21,384	21,140	(244)
	17,384	21,384	21,140	(244)
Total - Judicial	**407,567**	**424,667**	**416,287**	**(8,380)**

See independent auditor's report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
PUBLIC SAFETY				
Sheriff's Office				
Operating	602,568	746,068	745,596	(472)
Capital outlay	30,882	-	-	-
	633,450	746,068	745,596	(472)
Jail Board				
Operating	489,250	429,250	429,186	(64)
	489,250	429,250	429,186	(64)
Fire Department				
Operating	85,000	85,000	71,797	(13,203)
	85,000	85,000	71,797	(13,203)
Patten Detention Work Detail				
Operating	19,750	19,750	10,730	(9,020)
	19,750	19,750	10,730	(9,020)
Emergency Medical Services				
Operating	90,000	90,000	35,281	(54,719)
	90,000	90,000	35,281	(54,719)
Emergency Management				
Operating	5,650	8,450	8,314	(136)
	5,650	8,450	8,314	(136)
Office of the Coroner				
Operating	12,500	13,300	13,153	(147)
	12,500	13,300	13,153	(147)
911 Services				
Operating	132,000	132,000	131,308	(692)
	132,000	132,000	131,308	(692)
South Georgia Drug Task Force				
Operating	7,920	-	-	-
	7,920	-	-	-
Animal Control				
Operating	39,800	39,800	35,036	(4,764)
	39,800	39,800	35,036	(4,764)
Total - Public Safety	**1,515,320**	**1,563,618**	**1,480,401**	**(83,217)**

See independent auditor's report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
PUBLIC WORKS				
Roads Department				
Operating	366,193	266,193	259,895	(6,298)
Capital Outlay	-	525,000	524,404	(596)
	366,193	791,193	784,299	(6,894)
Solid Waste & Recycling				
Operating	18,700	42,700	42,347	(353)
	18,700	42,700	42,347	(353)
Total - Public Works	**384,893**	**833,893**	**826,646**	**(7,247)**
HEALTH AND WELFARE				
Nutrition Department				
Operating	30,332	30,832	30,680	(152)
	30,332	30,832	30,680	(152)
Public Health Department				
Operating	53,924	54,924	54,800	(124)
	53,924	54,924	54,800	(124)
Headstart				
Operating	250	250	140	(110)
	250	250	140	(110)
Department of Family and Children Services				
Operating	13,390	13,390	10,822	(2,568)
	13,390	13,390	10,822	(2,568)
Total - Health and Welfare	**97,896**	**99,396**	**96,442**	**(2,954)**
CULTURE AND RECREATION				
Recreation / Park Department				
Operating	97,160	143,660	143,311	(349)
Capital outlay	27,840	-	-	-
	125,000	143,660	143,311	(349)
W. L. Miller Library				
Operating	16,480	20,480	20,465	(15)
	16,480	20,480	20,465	(15)
Total - Culture and Recreation	**141,480**	**164,140**	**163,776**	**(364)**

See independent auditor's report.

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
HOUSING AND DEVELOPMENT				
Forestry				
Operating	11,150	11,250	11,225	(25)
	11,150	11,250	11,225	(25)
Extension Agency				
Operating	89,868	89,868	82,177	(7,691)
	89,868	89,868	82,177	(7,691)
Code Enforcement				
Operating	1,000	1,000	178	(822)
	1,000	1,000	178	(822)
Soil Conservations				
Operating	1,000	1,000	942	(58)
	1,000	1,000	942	(58)
Chamber				
Operating	5,000	5,000	5,000	-
	5,000	5,000	5,000	-
Development Authority				
Operating	60,000	60,000	60,000	-
	60,000	60,000	60,000	-
Board of Equalization				
Operating	4,500	4,500	2,290	(2,210)
	4,500	4,500	2,290	(2,210)
Total - Housing and Development	**172,518**	**172,618**	**161,812**	**(10,806)**
TOTAL EXPENDITURES	**3,827,552**	**4,426,410**	**4,205,673**	**(220,737)**
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	**223,408**	**(467,728)**	**(58,705)**	**409,023**
OTHER FINANCING SOURCES (USES):				
Capital Lease Financing	-	467,728	467,728	-
TOTAL OTHER FINANCING SOURCES (USES)	**-**	**467,728**	**467,728**	**-**
NET CHANGE IN FUND BALANCE	**223,408**	**-**	**409,023**	**409,023**
FUND BALANCE, BEGINNING OF YEAR	**-**	**-**	**603,977**	**603,977**
FUND BALANCE, END OF YEAR	**$ 223,408**	**$ -**	**$ 1,013,000**	**$ 1,013,000**

See independent auditor's report.

LANIER COUNTY, GEORGIA
REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	$ -	$ 1,900	$ 1,837	$ (63)
TOTAL REVENUES	-	1,900	1,837	(63)
EXPENDITURES				
Current:				
Housing and development	-	1,900	-	(1,900)
TOTAL EXPENDITURES	-	1,900	-	(1,900)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	1,837	1,837
FUND BALANCE, BEGINNING OF YEAR	-	-	180,152	180,152
FUND BALANCE, END OF YEAR	$ -	$ -	$ 181,989	$ 181,989

See independent auditor's report.

Note 1 – Budgetary Basis of Accounting

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

COMBINING AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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

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

Capital Projects Public Roads Fund – To account for the Local Government Improvement Funds (LIMIG0 used for road improvements.

LANIER COUNTY, GEORGIA
2007 SPECIAL PURPOSE SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 353,366	$ 553,366	$ 568,607	$ 15,241
Investment income	-	-	188	188
TOTAL REVENUES	353,366	553,366	568,795	15,429
EXPENDITURES				
Intergovernmental	-	200,000	221,097	21,097
Public works	353,366	353,366	332,010	(21,356)
TOTAL EXPENDITURES	353,366	553,366	553,107	(259)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	15,688	15,688
FUND BALANCE BEGINNING OF YEAR	-	-	55,799	55,799
FUND BALANCE END OF YEAR	$ -	$ -	$ 71,487	$ 71,487

See independent auditor's report.

LANIER COUNTY, GEORGIA
PUBLIC ROADS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenue	$ -	$ 160,000	$ 159,237	$ (763)
TOTAL REVENUES	-	160,000	159,237	(763)
EXPENDITURES				
Current:				
Public works	-	160,000	-	(160,000)
TOTAL EXPENDITURES	-	160,000	-	(160,000)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	159,237	159,237
FUND BALANCE BEGINNING OF YEAR	-	-	-	-
FUND BALANCE END OF YEAR	$ -	$ -	$ 159,237	$ 159,237

See independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUND

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

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

LANIER COUNTY, GEORGIA
ALL NONMAJOR FUNDS
COMBINING BALANCE SHEET
June 30, 2013

	Capital Projects Fund	Special Revenue Funds								
	2011 CDBG Fund	Burnt Church Fund	Law Library Fund	Jail Fund	Victim Assistance Fund	D.A.T.E. Fund	2006 Technology Grant	State Drug And State Seizure Fund	Federal Seizure Equitable Sharing	Total
ASSETS										
Cash	$ -	$ 532	$ 18,230	$ 8,106	$ 1,594	$ 12,242	$ -	$ 4,128	$ 7,075	$ 51,907
Accounts receivable	-	-	-	1,452	554	430	-	-	-	2,436
TOTAL ASSETS	$ -	$ 532	$ 18,230	$ 9,558	$ 2,148	$ 12,672	$ -	$ 4,128	$ 7,075	$ 54,343
LIABILITIES AND FUND BALANCE										
LIABILITIES										
Accounts payable	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-
FUND BALANCES										
Restricted for:										
Law library	-	-	18,685	-	-	-	-	-	-	18,685
Jail operations	-	-	-	9,558	-	-	-	-	-	9,558
Burnt Church building	-	532	-	-	-	-	-	-	-	532
Victim Assistance	-	-	-	-	2,148	-	-	-	-	2,148
Drug education and treatment	-	-	-	-	-	12,672	-	-	-	12,672
Drug enforcement	-	-	-	-	-	-	-	4,128	7,075	11,203
TOTAL FUND BALANCES	-	532	18,685	9,558	2,148	12,672	-	4,128	7,075	54,798
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 532	$ 18,685	$ 9,558	$ 2,148	$ 12,672	$ -	$ 4,128	$ 7,075	$ 54,798

See independent auditor's report.

LANIER COUNTY, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended June 30, 2013

	Capital Projects Fund	Special Revenue Funds								
	2011 CDBG Fund	Burnt Church Fund	Law Library Fund	Jail Fund	Victim Assistance Fund	D.A.T.E. Fund	2006 Technology Grant	State Drug And State Seizure Fund	Federal Seizure Equitable Sharing	Total
REVENUES										
Fines and forfeitures	$ -	$ -	$ 9,551	$ 15,340	$ 3,880	$ 5,911	$ -	$ 14,768	$ 5,438	$ 54,888
Intergovernmental revenue	231,371	-	-	-	-	-	-	-	-	231,371
Investment income	-	-	108	-	-	-	-	-	-	108
TOTAL REVENUES	231,371	-	9,659	15,340	3,880	5,911	-	14,768	5,438	286,367
EXPENDITURES										
Current:										
Judicial	-	-	10,088	-	1,732	-	-	-	-	11,820
Public safety	-	-	-	5,782	-	-	592	12,564	81	19,019
Public works	6,463	-	-	-	-	-	-	-	-	6,463
Health and welfare	-	-	-	-	-	10,300	-	-	-	10,300
Capital Outlay	224,908	-	-	-	-	-	-	-	-	224,908
TOTAL EXPENDITURES	231,371	-	10,088	5,782	1,732	10,300	592	12,564	81	272,510
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	(429)	9,558	2,148	(4,389)	(592)	2,204	5,357	13,857
NET CHANGES IN FUND BALANCE	-	-	(429)	9,558	2,148	(4,389)	(592)	2,204	5,357	13,857
FUND BALANCE, BEGINNING OF YEAR	-	532	19,114	-	-	17,061	592	1,924	1,718	40,941
FUND BALANCE, END OF YEAR	$ -	$ 532	$ 18,685	$ 9,558	$ 2,148	$ 12,672	$ -	$ 4,128	$ 7,075	$ 54,798

See independent auditor's report.

LANIER COUNTY, GEORGIA
2011 CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenue	$ -	$ 237,545	$ 231,371	$ (6,174)
TOTAL REVENUES	-	237,545	231,371	(6,174)
EXPENDITURES				
Capital outlay	-	237,545	231,371	(6,174)
TOTAL EXPENDITURES	-	237,545	231,371	(6,174)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE BEGINNING OF YEAR	-	-	-	-
FUND BALANCE END OF YEAR	$ -	$ -	$ -	$ -

See independent auditor's report.

LANIER COUNTY, GEORGIA
BURNT CHURCH FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Current:				
Legislative and executive	-	532	-	(532)
TOTAL EXPENDITURES	-	532	-	(532)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	(532)	-	532
FUND BALANCE BEGINNING OF YEAR	-	532	532	532
FUND BALANCE END OF YEAR	$ -	$ -	$ 532	$ 1,064

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, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ 12,000	$ 9,551	$ (2,449)
Investment income	-	-	108	108
TOTAL REVENUES	-	12,000	9,659	(2,341)
EXPENDITURES				
Current:				
Judicial	-	12,000	10,088	(1,912)
TOTAL EXPENDITURES	-	12,000	10,088	(1,912)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	(429)	(429)
FUND BALANCE BEGINNING OF YEAR	-	-	19,114	19,114
FUND BALANCE END OF YEAR	$ -	$ -	$ 18,685	$ 18,685

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, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ 10,000	$ 15,340	$ 5,340
TOTAL REVENUES	-	10,000	15,340	5,340
EXPENDITURES				
Current:				
Public safety	-	10,000	5,782	(4,218)
TOTAL EXPENDITURES	-	10,000	5,782	(4,218)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	9,558	9,558
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 9,558	$ 9,558

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, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ 4,000	$ 3,880	$ (120)
TOTAL REVENUES	-	4,000	3,880	(120)
EXPENDITURES				
Current:				
Judicial	-	4,000	1,732	(2,268)
TOTAL EXPENDITURES	-	4,000	1,732	(2,268)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	2,148	2,148
FUND BALANCE BEGINNING OF YEAR	-	-	-	-
FUND BALANCE END OF YEAR	$ -	$ -	$ 2,148	$ 2,148

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, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ 10,500	$ 5,911	$ (4,589)
TOTAL REVENUES	-	10,500	5,911	(4,589)
EXPENDITURES				
Current:				
Health and welfare	-	10,500	10,300	(200)
TOTAL EXPENDITURES	-	10,500	10,300	(200)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	(4,389)	(4,389)
FUND BALANCE BEGINNING OF YEAR	-	-	17,061	17,061
FUND BALANCE END OF YEAR	$ -	$ -	$ 12,672	$ 12,672

See independent auditor's report.

LANIER COUNTY, GEORGIA
2006 TECHNOLOGY GRANT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ -	$ -	$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Current:				
Public safety	-	592	592	-
TOTAL EXPENDITURES	-	592	592	-
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	(592)	(592)	-
FUND BALANCE BEGINNING OF YEAR	-	592	592	592
FUND BALANCE END OF YEAR	$ -	$ -	$ -	$ 592

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, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ 15,000	$ 14,768	$ (232)
TOTAL REVENUES	-	15,000	14,768	(232)
EXPENDITURES				
Current:				
Public safety	-	15,000	12,564	(2,436)
TOTAL EXPENDITURES	-	15,000	12,564	(2,436)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	2,204	2,204
FUND BALANCE BEGINNING OF YEAR	-	-	1,924	1,924
FUND BALANCE END OF YEAR	$ -	$ -	$ 4,128	$ 4,128

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, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ 6,000	$ 5,438	$ (562)
TOTAL REVENUES	-	6,000	5,438	(562)
EXPENDITURES				
Current:				
Public safety	-	6,000	81	(5,919)
TOTAL EXPENDITURES	-	6,000	81	(5,919)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	5,357	5,357
FUND BALANCE BEGINNING OF YEAR	-	-	1,718	1,718
FUND BALANCE END OF YEAR	$ -	$ -	$ 7,075	$ 7,075

See independent auditor's report.

FIDUCIARY FUNDS

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

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

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

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

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

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

LANIER COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
June 30, 2013

	AGENCY FUNDS					
	TAX COMMISSIONER	PROBATE JUDGE	CLERK OF SUPERIOR COURT	OFFICE OF SHERIFF	MAGISTRATE COURT	TOTAL
ASSETS						
Cash	$ 390,627	$ 16,799	$ 65,990	$ 4,086	$ 5,416	$ 482,918
TOTAL ASSETS	$ 390,627	$ 16,799	$ 65,990	$ 4,086	$ 5,416	$ 482,918
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Due to others	$ 390,627	$ 16,799	$ 65,990	$ 4,086	$ 5,416	$ 482,918
TOTAL LIABILITIES	$ 390,627	$ 16,799	$ 65,990	$ 4,086	$ 5,416	$ 482,918
NET POSITION	$ -	$ -	$ -	$ -	$ -	$ -

See independent auditor's report.

LANIER COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
For The Year Ending June 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
OFFICE OF TAX COMMISSIONER				
ASSETS				
Cash	$ 390,651	$ 6,546,519	$ 6,546,543	$ 390,627
TOTAL ASSETS	$ 390,651	$ 6,546,519	$ 6,546,543	$ 390,627
LIABILITIES				
Due to others	$ 390,651	$ 6,546,519	$ 6,546,543	$ 390,627
TOTAL LIABILITIES	$ 390,651	$ 6,546,519	$ 6,546,543	$ 390,627
PROBATE JUDGE				
ASSETS				
Cash	$ 20,002	$ 183,198	$ 186,401	$ 16,799
TOTAL ASSETS	$ 20,002	$ 183,198	$ 186,401	$ 16,799
LIABILITIES				
Due to others	$ 20,002	$ 183,198	$ 186,401	$ 16,799
TOTAL LIABILITIES	$ 20,002	$ 183,198	$ 186,401	$ 16,799
CLERK OF COURT				
ASSETS				
Cash	$ 77,421	$ 363,072	$ 374,503	$ 65,990
TOTAL ASSETS	$ 77,421	$ 363,072	$ 374,503	$ 65,990
LIABILITIES				
Due to others	$ 77,421	$ 363,072	$ 374,503	$ 65,990
TOTAL LIABILITIES	$ 77,421	$ 363,072	$ 374,503	$ 65,990

See independent auditor's report.

LANIER COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
For The Year Ending June 30, 2013

		Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
OFFICE OF SHERIFF					
ASSETS					
Cash		$ 4,744	$ 78,246	$ 78,904	$ 4,086
	TOTAL ASSETS	$ 4,744	$ 78,246	$ 78,904	$ 4,086
LIABILITIES					
Due to others		$ 4,744	$ 78,246	$ 78,904	$ 4,086
	TOTAL LIABILITIES	$ 4,744	$ 78,246	$ 78,904	$ 4,086
MAGISTRATE COURT					
ASSETS					
Cash		$ 6,220	$ 97,224	$ 98,028	$ 5,416
	TOTAL ASSETS	$ 6,220	$ 97,224	$ 98,028	$ 5,416
LIABILITIES					
Due to others		$ 6,220	$ 97,224	$ 98,028	$ 5,416
	TOTAL LIABILITIES	$ 6,220	$ 97,224	$ 98,028	$ 5,416

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, 2013

	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
2007 SPLOST					
Roads, streets and bridge purposes	$ 3,115,000	$ 1,824,754	$ 332,010	$ 2,156,764	69.24%
City of Lakeland	1,885,000	933,775	221,097	1,154,872	61.27%
Totals	$ 5,000,000	$ 2,758,529	$ 553,107	$ 3,311,636	

See independent auditor's report.

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Development Block Grant

Lanier County, Georgia

11P-y-086-1-5393

For the Period Ending: June 30, 2013
Cumulative

I. Total Fiscal Year 2012 CDBG Funds Awarded to Recipient:	$	454,448
II. Total Amount of Drawdown by Recipient from DCA:	$	454,448
III. Less: CDBG Funds Expended by Recipient:	$	454,448
IV. Amount of Fiscal Year 2012 CDBG Funds held by Recipient:	$	-

See independent auditor's report.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE

Recipient: Lanier County, Georgia

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

For the Period Ending: June 30, 2013

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulative CDBG Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total of Expenditures To Date	Questioned Costs
Street Improvements	P-03K-01	$ 150,832	$ 150,832	$ -	$ 150,832	$ -
Flood and Drainage Facilities	P-03K-02	$ 275,979	$ 275,979	$ -	$ 275,979	$ -
Administration	A-21A-00	$ 27,637	$ 27,637	$ -	$ 27,637	$ -
TOTAL		$ 454,448	$ 454,448	$ -	$ 454,448	$ -

See independent auditor's report.

Tillman & Tillman, LLP
Certified Public Accountants & Consultants

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H. Harrison Tillman, Sr., CPA (1927-2010)

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

To the Board of County Commissioners
Lanier County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lanier County, Georgia, as of and for the year ended June 30, 2013, 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 February 14, 2014.

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 opinion 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 2013-1.

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
February 14, 2014

LANIER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2013

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified	
Internal control over financial reporting		
Material weakness identified?	_____ Yes	__X__ No
Significant deficiencies identified not considered to be material weakness?	__X__ Yes	_____ None reported
Noncompliance material to financial statements noted?	__X__ Yes	_____ No

Section II – Financial Statement Findings

Current Year Findings

2013-1 – 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.

2013-1 – 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.

2013-1 – Cause

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

2013-1 – 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.

2013-1 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.

2013-1 – Management Response

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

Prior Year Findings:

2013-1 was also a finding in the prior year.