LANIER COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
of Lanier County, Georgia
Lakeland, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lanier County, Georgia, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the component unit financial statements of the Lanier County Board of Health, which comprise 100% of the assets, net position and revenues of the County's discretely presented component unit. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Lanier County Board of Health is based on the reports of the other auditors.

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 opinions on these financial statements based on our audit. We did not audit the financial statements of the Lanier County Board of Health, which comprise 100% of the assets, net position and revenues of the County's discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for this component unit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 opinions.

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Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lanier County, Georgia, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 10 and budgetary comparison information on pages 35 – 37 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 performed for the purpose of forming opinions on the financial statements that collectively comprise Lanier County, Georgia's basic financial statements as a whole. The budgetary comparison information on pages 38 and 41 – 49, and the combining and individual nonmajor fund financial statements and schedules on pages 39 – 40 are presented for purposes of additional analysis and are not a required part of the basic financial statements of Lanier County, Georgia. The accompanying Schedules of Projects Funded with Special Purpose Sales Tax Proceeds on page 53 is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and are also not a required part of the basic financial statements.

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

The budgetary comparison information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2019 on our consideration of Lanier County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lanier County, Georgia's 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.

Carr, Rigge & Ingram, L.L.C.

Tifton, Georgia
November 7, 2019

LANIER COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2018

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, 2018. 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 FY18 are as follows:

The County's total net position increased by $316,447.

The County's governmental fund assets exceeded its liabilities and deferred inflows of resources at June 30, 2018 by $7,972,045 (net position). Of this amount $1,941,489 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current year, unassigned fund balance for the General Fund decreased by $464,813, resulting in a fund balance of $1,756,456.

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 funds are the General Fund and the Capital Projects Public Roads 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:

	Governmental Activities		Total Percentage Change
	2017	2018	
Assets			
Current and other assets	$ 3,671,169	$ 3,450,873	-6.00%
Capital assets, net	4,684,000	4,858,451	3.72%
Total Assets	**8,355,169**	**8,309,324**	-0.55%
Liabilities			
Current and other liabilities	179,668	32,533	-81.89%
Long-term liabilities	517,499	177,346	-65.73%
Total Liabilities	**697,167**	**209,879**	-69.90%
Deferred Inflows of Resources	2,404	127,400	5199.50%
Net Position			
Net investment in capital assets	4,185,164	4,713,049	12.61%
Restricted	1,103,095	1,317,507	19.44%
Unrestricted	2,367,339	1,941,489	-17.99%
Total Net Position	**$ 7,655,598**	**$ 7,972,045**	4.13%

As noted earlier, the County's net position, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by $7,972,045 as of June 30, 2018. A large portion of the County's net position (59%) 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 (17%) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets (24%) 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, 2018.

	Governmental Activities		Total Percentage Change
	2017	2018	
Revenues			
Program Revenues			
Charges for services	$ 512,975	$ 633,621	23.52%
Operating grants and contributions	73,983	134,568	81.89%
Capital grants and contributions	254,774	274,825	7.87%
Total Program Revenues	841,732	1,043,014	23.91%
General Revenues			
Property taxes	2,917,305	3,106,367	6.48%
Sales taxes	785,954	791,104	0.66%
Timber taxes	35,388	29,090	-17.80%
Insurance premium taxes	374,760	401,355	7.10%
Other taxes	74,288	99,511	33.95%
Interest, penalties and costs - taxes	71,326	81,430	14.17%
Miscellaneous	54,708	128,497	134.88%
Total General Revenues	4,313,729	4,637,354	7.50%
Total Revenues	**5,155,461**	**5,680,368**	**10.18%**
Expenses			
Governmental Activities:			
General Government			
Legislative and executive	$ 1,311,004	$ 1,297,108	-1.06%
Judicial	499,383	561,454	12.43%
Public safety	1,793,291	2,304,455	28.50%
Public works	879,942	655,059	-25.56%
Health and welfare	132,582	135,927	2.52%
Culture and recreation	199,348	205,147	2.91%
Housing and development	194,017	193,577	-0.23%
Interest on long-term debt	4,757	11,194	135.32%
Total Expenses	**5,014,324**	**5,363,921**	**6.97%**
Change in Net Position	**141,137**	**$ 316,447**	**124.21%**
Net Position, Beginning	7,514,461	7,655,598	1.88%
Net Position, Ending	**$ 7,655,598**	**$ 7,972,045**	**4.13%**

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 2017	Total Cost of Services 2018	Percentage Change 2017-2018	Net Cost of Services 2017	Net Cost of Services 2018	Percentage Change 2017-2018
General Government						
Legislative and executive	$ 1,311,004	$ 1,297,108	-1.06%	$ 955,340	$ 1,086,083	13.69%
Judicial	499,383	561,454	12.43%	90,113	164,388	82.42%
Public safety	1,793,291	2,304,455	28.50%	1,408,104	2,235,068	58.73%
Public works	879,942	655,059	-25.56%	623,441	350,508	-43.78%
Health and welfare	132,582	135,927	2.52%	93,388	111,087	18.95%
Culture and recreation	199,348	205,147	2.91%	113,806	169,002	48.50%
Housing and development	194,017	193,577	100.00%	200,295	193,577	-3.35%
Interest on long-term debt	4,757	11,194	135.32%	6,561	11,194	70.61%
Total	**$ 5,014,324**	**$ 5,363,921**	**6.97%**	**$ 3,491,048**	**$ 4,320,907**	**23.77%**

Financial Analysis of County Funds

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

Governmental Funds

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

As of June 30, 2018, the County's governmental funds reported a combined ending fund balance of $3,073,963, a decrease of $250,401.

The General Fund is the primary operating fund of the County. At the end of June 30, 2018, the unassigned fund balance was $ 1,756,456.

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, 2018, was $4,713,049 (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 FY18 included the acquisition of vehicles, equipment, and various paving projects.

Note 7 (Capital Assets) provides additional information about capital asset activity during FY18.

Debt

At June 30, 2018, the County had total capital lease debt outstanding of $145,402.

In addition to the capital leases, the County's long-term obligations include compensated absences. Notes 8 provides information regarding this liability.

Economic Factors

Local sales taxes declined 0.67% in FY18.

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, 2018

	Primary Government		Component Unit
	Governmental Activities	Total	Lanier County Board of Health
ASSETS			
Cash	$ 2,859,089	$ 2,859,089	$ 215,639
Prepaid items	76,403	76,403	-
Taxes receivable	245,785	245,785	-
Accounts receivable	116,368	116,368	-
Note receivable	78,616	78,616	-
Due from other governments	74,612	74,612	21,354
Nondepreciable capital assets	1,013,416	1,013,416	-
Depreciable capital assets, net	3,845,035	3,845,035	5,764
TOTAL ASSETS	8,309,324	8,309,324	242,757
DEFERRED OUTFLOWS OF RESOURCES			
Proportionate share of collective deferred outflows of resources	-	-	60,834
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	17,594	17,594	550
Accrued liabilities	-	-	2,202
Due to other governments	14,939	14,939	12,367
NONCURRENT LIABILITIES:			
Due within one year:			
Capital leases payable	75,353	75,353	-
Compensated absences	19,166	19,166	9,041
Due in more than one year:			
Capital leases payable	70,049	70,049	-
Compensated absences	12,778	12,778	6,028
Net pension obligation liability	-	-	164,850
TOTAL LIABILITIES	209,879	209,879	195,038
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	127,400	127,400	411
COMBINED LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 337,279	$ 337,279	$ 195,449
NET POSITION			
Net investment in capital assets	4,713,049	4,713,049	5,764
Restricted for:			
Capital projects	857,004	857,004	-
Economic improvement loans	190,876	190,876	-
Jail operations	11,152	11,152	-
Drug enforcement	224,219	224,219	-
Drug education and treatment	3,169	3,169	-
Victim assistance	892	892	-
Law library	30,195	30,195	-
Prior year program income	-	-	82,044
Unrestricted	1,941,489	1,941,489	20,334
TOTAL NET POSITION	$ 7,972,045	$ 7,972,045	$ 108,142

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

LANIER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

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	$ 1,297,108	$ 204,658	$ 6,367	$ -
Judicial	561,454	311,100	85,966	-
Public Safety	2,304,455	69,387	-	-
Public Works	655,059	26,553	3,173	274,825
Health and Welfare	135,927	3,864	20,976	-
Culture and Recreation	205,147	18,059	18,086	-
Housing and Development	193,577	-	-	-
Interest on Long-term Debt	11,194	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	5,363,921	633,621	134,568	274,825
TOTAL PRIMARY GOVERNMENT	$ 5,363,921	633,621	134,568	274,825
COMPONENTS UNITS				
Lanier County Board of Health	$ 293,733	$ 82,044	$ 214,290	$ -
TOTAL COMPONENT UNITS	$ 293,733	$ 82,044	$ 214,290	$ -
GENERAL REVENUES				
Property taxes, levied for general purposes				
Timber taxes				
Sales taxes				
Real estate transfer taxes				
Insurance premium taxes				
Beer and wine taxes				
Energy excise & franchise taxes				
Financial institutions				
Intangible recording taxes				
Interest and penalties - delinquent taxes				
Other revenues				
TOTAL GENERAL REVENUES				
CHANGES IN NET POSITION				
NET POSITION,BEGINNING, RESTATED				
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
$ (1,086,083)	$ (1,086,083)	$ -
(164,388)	(164,388)	-
(2,235,068)	(2,235,068)	-
(350,508)	(350,508)	-
(111,087)	(111,087)	-
(169,002)	(169,002)	-
(193,577)	(193,577)	-
(11,194)	(11,194)	-
(4,320,907)	(4,320,907)	-
(4,320,907)	(4,320,907)	-
$ -	$ -	$ 2,601
$ -	$ -	$ 2,601
3,106,367	3,106,367	-
29,090	29,090	-
791,104	791,104	-
11,646	11,646	-
401,355	401,355	-
25,198	25,198	-
6,592	6,592	-
11,542	11,542	-
44,533	44,533	-
81,430	81,430	-
128,497	128,497	-
4,637,354	4,637,354	-
316,447	316,447	2,601
7,655,598	7,655,598	105,541
$ 7,972,045	$ 7,972,045	$ 108,142

LANIER COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018

	General Fund	Public Roads Fund	Other Governmental Funds	Total
ASSETS				
Cash	$ 1,980,247	$ 230,113	$ 648,727	$ 2,859,087
Prepaid items	76,403	-	-	76,403
Taxes receivable	245,785	-	-	245,785
Notes receivable	-	-	78,616	78,616
Accounts receivable	112,065	-	4,302	116,367
Due from other governments	24,871	-	49,741	74,612
Interfund receivable	4,097	329,610	233,502	567,209
TOTAL ASSETS	2,443,468	559,723	1,014,888	4,018,079
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	13,026	-	4,566	17,592
Due to other governments	-	-	14,939	14,939
Interfund payable	329,610	233,502	4,097	567,209
TOTAL LIABILITIES	342,636	233,502	23,602	599,740
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	344,376	-	-	344,376
TOTAL DEFERRED INFLOWS OF RESOURCES	344,376	-	-	344,376
FUND BALANCES				
Nonspendable for:				
Prepaid items	76,403	-	-	76,403
Restricted for:				
Capital projects	-	326,221	530,783	857,004
Jail operations	-	-	11,152	11,152
Economic improvement loans	-	-	190,876	190,876
Drug enforcement	-	-	224,219	224,219
Drug education and treatment	-	-	3,169	3,169
Victim assistance	-	-	892	892
Law library	-	-	30,195	30,195
Unassigned reported in:				
General Fund	1,680,053	-	-	1,680,053
TOTAL FUND BALANCES	1,756,456	326,221	991,286	3,073,963
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,443,468	$ 559,723	$ 1,014,888	$ 4,018,079

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, 2018

Total Governmental Fund Balances		$ 3,073,963
Amounts report for governmental activities on the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	$ 8,136,624	
Less accumulated depreciation	(3,278,173)	4,858,451
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental activities.		
Capital leases payable	(145,402)	
Accrued compensated absences	(31,944)	(177,346)
Deferred revenue in governmental activities are susceptible to full accrual in the government-wide statement of net position.		
Deferred revenues		216,977
Net Position of Governmental Activities		$ 7,972,045

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

LANIER COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2018

	General Fund	Public Roads Fund	Other Governmental Funds	Total
REVENUES				
Taxes	$ 3,920,969	$ -	$ 527,402	$ 4,448,371
Licenses and permits	56,715	-	-	56,715
Intergovernmental revenues	123,489	454,610	-	578,099
Charges for services	364,993	-	-	364,993
Fines and forfeitures	171,804	-	47,237	219,041
Investment income	6,367	-	4,471	10,838
Miscellaneous	63,022	-	-	63,022
TOTAL REVENUES	4,707,359	454,610	579,110	5,741,079
EXPENDITURES				
Current:				
General Government				
Legislative and executive	1,275,548	-	-	1,275,548
Judicial	543,052	-	20,077	563,129
Public safety	2,180,942	-	17,213	2,198,155
Public works	524,669	-	3,999	528,668
Health and welfare	129,149	-	2,574	131,723
Culture and recreation	188,768	-	-	188,768
Housing and development	193,578	-	-	193,578
Intergovernmental	-	-	181,757	181,757
Capital Outlay	116,481	358,502	148,583	623,566
Debt Service				
Principal	16,078	-	79,316	95,394
Interest	3,907	-	7,287	11,194
TOTAL EXPENDITURES	5,172,172	358,502	460,806	5,991,480
EXCESS OF REVENUES (UNDER) EXPENDITURES	(464,813)	96,108	118,304	(250,401)
FUND BALANCE, BEGINNING OF YEAR	2,221,269	230,113	872,982	3,324,364
FUND BALANCE, END OF YEAR	$ 1,756,456	$ 326,221	$ 991,286	$ 3,073,963

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

LANIER COUNTY, GEORGIA
RECONCILIAION 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, 2018

Net Change in Fund Balances - Total Governmental Funds		$ (250,401)
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	621,199	
Disposal of capital assets	(187,628)	
Current year depreciation expense	(259,118)	174,453
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	52,242	52,242
Some expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds:		
Compensated absences	(13,281)	(13,281)
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		353,434
Change in Net Position of Governmental Activities		$ 316,447

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

LANIER COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2018

	Agency Funds
ASSETS	
Cash	$ 547,044
TOTAL ASSETS	$ 547,044
LIABILITIES	
Due to others	$ 547,044
TOTAL LIABILITIES	547,044
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

Lanier County Board of Health. 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, Tifton, Georgia 31603. Lanier County provided $53,924 in funding to the Board of Health for the year ending June 30, 2018.

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 $6,499 to the Regional Commission for the year ended June 30, 2018. 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 a Regional Commission as "public agencies and instrumentality's of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of a Regional Commission beyond its resources. (O.C.G. A. 50-8-39.1)

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

Southern Georgia Regional Commission
3395 Harris Road
Waycross. Georgia 31503

Note 2 – Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Note 2 - Summary of Significant Accounting Policies - Continued

B. Fund Accounting – Continued

Governmental Funds

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

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

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

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

Fiduciary Funds

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

C. Measurement Focus

Government-Wide Financial Statements

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

Note 2 - Summary of Significant Accounting Policies - Continued

C. Measurement Focus - Continued

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues—Exchange and Nonexchange Transactions

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

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

Note 2 - Summary of Significant Accounting Policies - Continued

Revenues—Exchange and Nonexchange Transactions - Continued

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

Deferred Inflows of Resources

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

Property taxes for which there was an enforceable legal claim at June 30, 2018, but were levied to finance FY18 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 FY18 has been recognized as deferred inflows of resources on the statement of net position and governmental fund financial statements.

Expenses/Expenditures

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

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

E. Budgetary Process

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

Note 2 - Summary of Significant Accounting Policies – Continued

E. Budgetary Process - Continued

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

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

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

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

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

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

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not utilized in the governmental funds.

G. Cash and Investments

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

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

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

H. Prepaid Items

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

Note 2 - Summary of Significant Accounting Policies - Continued

I. Inventory

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

J. Restricted Assets

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

K. Capital Assets

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

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

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

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

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.

Note 2 - Summary of Significant Accounting Policies - Continued

M. Compensated Absences

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

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

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

N. Accrued Liabilities and Long-Term Obligations

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

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

O. Net Position

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

P. Fund Equity

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

Fund Balance

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

Note 2 - Summary of Significant Accounting Policies - Continued

P. Fund Equity - Continued

Fund balances are classified as follows:

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

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

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

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

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

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

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

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

Note 2 - Summary of Significant Accounting Policies - Continued

Q. Interfund Transactions

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

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

R. Management Estimates

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

Note 3 - Deposits and Investments

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

At June 30, 2018 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	$ 24,871
Total - General Fund	$ 24,871
Capital Project Funds	
2017 SPLOST Fund	
Georgia Department of Revenue	$ 49,741
Total - Due From Other Governments	$ 74,612

Note 5 – Interfund Balances and Transfers

The composition of interfund balances and transfers as of June 30, 2018 is as follows:

	Interfund Receivable	Interfund Payable
General Fund		
2017 SPLOST	$ 35	$ -
2012 SPLOST Fund	4,062	-
Public Roads Fund	-	329,610
	4,097	329,610
2017 SPLOST Fund		
General Fund	-	35
	-	35
2012 SPLOST FUND		
Public Roads Fund	233,502	-
General Fund	-	4,062
	233,502	4,062
PUBLIC ROADS FUND		
General Fund	329,610	-
2012 SPLOST Fund	-	233,502
	329,610	233,502
Total Governmental Funds	$ 567,210	$ 567,210

Funds used for the establishment of a bank account for the 2017 SPLOST fund were paid from the General Fund and is due back from the 2017 SPLOST Fund. Expenses were paid from the General Fund that were 2012 SPLOST expenses. Public Road Fund expenses were paid from the 2012 SPLOST Fund and General Fund expenses were paid from the Public Roads Fund.

Note 6- Property Taxes

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

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

Note 7 – Capital Assets

A summary of the changes in general capital assets for the year ended June 30, 2018 is as follows:

	Balance at July 1, 2017	Additions	Reductions	Balance at June 30, 2018
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land and improvements	$ 245,296	$ -	$ 9,868	$ 235,428
Construction in progress	270,902	507,086	-	777,988
Total Nondepreciable Capital Assets	516,198	507,086	9,868	1,013,416
Depreciable Capital Assets:				
Buildings and building improvements	$ 1,699,277	$ 33,907	$ -	$ 1,733,184
Infrastructure	2,625,731	-	-	2,625,731
Paving, landscaping and improvements	331,790	-	-	331,790
Vehicles	943,468	73,274	197,080	819,662
Machinery and equipment	2,181,349	16,800	585,308	1,612,841
Total Depreciable Capital Assets	7,781,615	123,981	782,388	7,123,208
Less Accumulated Depreciation for:				
Buildings and building improvements	981,828	32,731	-	1,014,560
Infrastructure	302,621	41,975	-	344,597
Paving, landscaping and improvements	216,955	12,283	-	229,238
Vehicles	695,399	35,758	191,804	539,353
Machinery and equipment	1,417,010	136,371	402,956	1,150,425
Total Accumulated Depreciation	3,613,813	259,118	594,760	3,278,173
Total Depreciable Capital Assets, Net	4,167,802	(135,137)	187,628	3,845,035
Governmental Activities Capital Assets, Net	$ 4,684,000	$ 371,949	$ 197,496	$ 4,858,451

Depreciation was charged to governmental functions as follows:

Governmental activities:	
General Government	
Legislative and Executive	$ 26,901
Public Safety	72,547
Public Works	132,150
Health and Welfare	11,142
Culture and Recreation	16,378
Total Depreciation Expense - Governmental Activities	$ 259,118

Note 8 – Compensated Absences

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

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018	Amount Due In One Year
Primary Government:					
Governmental Activities:					
Compensated absences	$ 18,663	$ 24,479	$ 11,198	$ 31,944	$ 19,166
Total Primary Government	$ 18,663	$ 24,479	$ 11,198	$ 31,944	$ 19,166
Component Unit - Board of Health:					
Compensated absences	$ 11,226	$ 9,456	$ 5,613	$ 15,069	$ 9,041

Note 9 - Long-Term Debt

The following is a summary of the debt transactions of the County for the fiscal year ended June 30, 2018:

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018	Amount Due In One Year
Governmental Activities					
Capital leases	$ 498,836	$ -	$ 353,434	$ 145,402	$ 75,353
Total Governmental Activities	$ 498,836	$ -	$ 353,434	$ 145,402	$ 75,353

Two motor graders were returned for the balance of a capital lease which was a $258,040 reduction.

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

	Purpose	Original Issue Date	Interest Rate	Original Issue Amount	Maturity Date
Governmental Activities					
Capital Lease	Park Lights	2012	5.45%	$ 150,000	2021
Capital Lease	Motor Graders	2013	2.14%	$ 383,902	2018
Capital Lease	Mower with side arm boom	2014	2.24%	$ 94,000	2018
Capital Lease	Motor Grader	2014	2.40%	$ 198,647	2019
Capital Lease	Motor Grader	2015	2.30%	$ 127,500	2020

Note 9 - Long-Term Debt - Continued

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

	Governmental Activities	
	Capital Leases	
Year Ending June 30,	Principal	Interest
2019	75,353	4,507
2020	46,640	2,545
2021	23,409	1,083
Total	$ 145,402	$ 8,135

The assets acquired through capital leases are as follows:

	Total Governmental Activities
Asset:	
Equipment	$ 1,083,855
Less: accumulated depreciation	(407,697)
Total	$ 676,159

The amortization expense of these capital lease assets for FY18 was $88,588 and is included with the depreciation expense.

Note 10 – 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 $20,000 for the year ending June 30, 2018. 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 $88,762 for the year ending June 30, 2018.

Note 11 – Contingent Liabilities

There was no pending litigation, claims, or assessments against the County at June 30, 2018. In the opinion of County management, there were no unasserted claims or assessments that might have a material effect on the financial condition of the County.

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

Note 12 – Retirement Benefits

Defined Contribution Plan:

The County sponsors a 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 MetLife. 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, 2018, the plan members contributed $26,092 and the County contributed $10,517 to the plan.

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

Deferred Compensation Plan:

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

A copy of additional financial information can be obtained from MetLife, P.O. Box 10366, Des Moines, IA 50306-0366.

Other Pension Plans:

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

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

These plans provide for certain sums from marriage licenses, fees, fines and forfeitures to be remitted directly to the pension plans before the payment of any costs or other claims. GASB #68 valuation reports and schedules can be found on their respective web sites.

Note 13 – 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 risks 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 14 – Expenditures in Excess of Appropriations

The following funds' expenditures exceeded appropriations

	Expenditures Actual	Appropriations	Amount Exceeding Appropriations
General Fund:			
Commissioners' Office	217,093	210,000	7,093
Courthouse / Administration	611,268	386,447	224,821
Tax Commissioner	206,514	192,378	14,136
Public Buildings	51,347	25,000	26,347
Elections	64,609	63,958	651
Superior Court	152,887	144,000	8,887
Probate Court	164,317	159,587	4,730
Juvenile Court	107,582	26,095	81,487
Sheriff's Office	1,104,912	972,916	131,996
Jail Board	634,782	316,900	317,882
Fire Department	121,728	88,925	32,803
Emergency Management	76,516	57,152	19,364
911 Services	135,000	130,000	5,000
Road Department	500,544	457,212	43,332
Solid Waste & Recycling	46,699	35,500	11,199
Nutrition Department	68,089	58,881	9,208
Recreation / Park Department	193,503	130,000	63,503
Chamber	10,125	5,000	5,125
Development Authority	88,763	85,763	3,000
Jail Fund	13,694	4,233	9,461
Victim Assistance	9,490	3,675	5,815
Public Roads	358,502	256,002	102,500
SPLOST 2017 Fund	141,072	-	141,072

Note 15 – Subsequent Event

Subsequent events were evaluated through October 18, 2019 which is the date of the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

LANIER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 3,874,013	$ 3,874,013	$ 3,920,969	$ 46,956
Licenses and permits	55,450	55,450	56,715	1,265
Intergovernmental Revenues	74,533	74,533	123,489	48,956
Charges for services	256,716	256,716	364,993	108,277
Fines and forfeitures	157,050	157,050	171,804	14,754
Investment income	5,315	5,315	6,367	1,052
Miscellaneous	52,059	52,059	63,022	10,963
TOTAL REVENUES	**4,475,136**	**4,475,136**	**4,707,359**	**232,223**
GENERAL GOVERNMENT				
Commissioners' Office	210,000	210,000	217,093	7,093
Courthouse / Administration	386,447	386,447	611,268	224,821
Sundry	100,000	100,000	-	(100,000)
Tax Commissioner	192,378	192,378	206,514	14,136
Tax Assessors	171,856	171,856	148,070	(23,786)
Public Buildings	25,000	25,000	51,347	26,347
Church Street Building	3,500	3,500	2,996	(504)
Oak Street Building	18,000	18,000	7,558	(10,442)
Elections	63,958	63,958	64,609	651
Contingency	100,000	100,000	-	(100,000)
Total - General Government	**1,271,139**	**1,271,139**	**1,309,455**	**38,316**
JUDICIAL				
Superior Court	144,000	144,000	152,887	8,887
Public Defender	47,860	47,860	47,431	(429)
District Attorney	37,388	37,388	22,825	(14,563)
Magistrate Court	49,905	49,905	48,010	(1,895)
Probate Court	159,587	159,587	164,317	4,730
Juvenile Court	26,095	26,095	107,582	81,487
Total - Judicial	**464,835**	**464,835**	**543,052**	**78,217**

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, 2018

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Over (Under)
PUBLIC SAFETY				
Sheriff's Office	972,916	972,916	1,104,912	131,996
Jail Board	316,900	316,900	634,782	317,882
Fire Department	88,925	88,925	121,728	32,803
Patten Detention Work Detail	19,750	19,750	18,735	(1,015)
Emergency Medical Services	122,505	122,505	112,502	(10,003)
Emergency Management	57,152	57,152	76,516	19,364
Office of the Coroner	12,500	12,500	11,666	(834)
911 Services	130,000	130,000	135,000	5,000
Animal Control	25,205	25,205	25,101	(104)
Total - Public Safety	**1,745,853**	**1,745,853**	**2,240,942**	**495,089**
PUBLIC WORKS				
Roads Department	457,212	457,212	500,544	43,332
Solid Waste & Recycling	35,500	35,500	46,699	11,199
Total - Public Works	**492,712**	**492,712**	**547,243**	**54,531**
HEALTH AND WELFARE				
Nutrition Department	58,881	58,881	68,089	9,208
Public Health Department	53,924	53,924	53,924	-
Headstart	250	250	43	(207)
Department of Family and Children Services	17,490	17,490	7,093	(10,397)
Total - Health and Welfare	**130,545**	**130,545**	**129,149**	**(1,396)**
CULTURE AND RECREATION				
Recreation / Park Department	130,000	130,000	193,503	63,503
W. L. Miller Library	16,479	16,479	15,250	(1,229)
Total - Culture and Recreation	**146,479**	**146,479**	**208,753**	**62,274**
HOUSING AND DEVELOPMENT				
Forestry	10,115	10,115	10,115	-
Extension Agency	89,207	89,207	76,260	(12,947)
Code Enforcement	25,000	25,000	2,361	(22,639)
Chamber	5,000	5,000	10,125	5,125
Development Authority	85,763	85,763	88,763	3,000
Board of Equalization	8,488	8,488	5,954	(2,534)
Total - Housing and Development	**223,573**	**223,573**	**193,578**	**(29,995)**
TOTAL EXPENDITURES	**4,475,136**	**4,475,136**	**5,172,172**	**697,036**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	**-**	**-**	**(464,813)**	**(464,813)**
FUND BALANCE, BEGINNING OF YEAR	**-**	**-**	**2,221,269**	**2,221,269**
FUND BALANCE, END OF YEAR	**$ -**	**$ -**	**$ 1,756,456**	**$ 1,756,456**

See independent auditor's report.

LANIER COUNTY, GEORGIA
NOTES TO BUDGETARY COMPARISON SCHEDULES
For the Year Ended June 30, 2018

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 FUND

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

LANIER COUNTY, GEORGIA
PUBLIC ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenue	$ 256,002	$ 256,002	$ 454,610	$ 198,608
TOTAL REVENUES	256,002	256,002	454,610	198,608
EXPENDITURES				
Capital outlay	256,002	256,002	358,502	102,500
TOTAL EXPENDITURES	256,002	256,002	358,502	102,500
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	96,108	96,108
FUND BALANCE, BEGINNING OF YEAR	-	-	230,113	230,113
FUND BALANCE, END OF YEAR	$ -	$ -	$ 326,221	$ 326,221

See independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

CAPITAL PROJECT FUNDS

Capital Projects 2012 Special Purpose Sales Tax Funds – 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 2017 Special Purpose Sales Tax Funds – To account for the special purpose local option sales tax that was approved by referendum. The revenue is restricted to the stated purposes of the referendum.

LANIER COUNTY, GEORGIA
ALL NONMAJOR FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	Revolving Loan Fund	Law Library Fund	Jail Fund	Victim Assistance Fund	D.A.T.E. Fund	State Drug And State Seizure Fund	Federal Seizure Equitable Sharing	Capital Projects 2012 Splost Fund	Capital Projects 2017 Splost Fund	Total
ASSETS										
Cash	$ 112,260	$ 29,143	$10,842	$ 2,840	$ 2,847	$ 221,184	$ 3,035	$ 46,242	$ 220,334	$ 648,727
Notes receivable	78,616	-	-	-	-	-	-	-	-	78,616
Interfund receivable	-	-	-	-	-	-	-	233,502		233,502
Due from other governments	-	-	-	-	-	-	-	-	49,741	49,741
Accounts receivable	-	1,052	2,060	868	322	-	-	-	-	4,302
TOTAL ASSETS	$ 190,876	$ 30,195	$12,902	$ 3,708	$ 3,169	$ 221,184	$ 3,035	$ 279,744	$ 270,075	$ 1,014,888
LIABILITIES AND FUND BALANCE										
LIABILITIES										
Accounts payable	-	-	1,750	2,816	-	-	-	-	-	4,566
Due to other governments	-	-	-	-	-	-	-	-	14,939	14,939
Interfund payable	-	-	-	-	-	-	-	4,062	35	4,097
TOTAL LIABILITIES	-	-	1,750	2,816	-	-	-	4,062	14,974	23,602
FUND BALANCES										
Restricted for:										
Capital projects	-	-	-	-	-	-	-	275,682	255,101	530,783
Economic development	190,876	-	-	-	-	-	-	-	-	190,876
Law library	-	30,195	-	-	-	-	-	-	-	30,195
Jail operations	-	-	11,152	-	-	-	-	-	-	11,152
Victim Assistance	-	-	-	892	-	-	-	-	-	892
Drug education and treatment	-	-	-	-	3,169	-	-	-	-	3,169
Drug enforcement	-	-	-	-	-	221,184	3,035	-	-	224,219
TOTAL FUND BALANCES	190,876	30,195	11,152	892	3,169	221,184	3,035	275,682	255,101	991,286
TOTAL LIABILITIES AND FUND BALANCES	$ 190,876	$ 30,195	$12,902	$ 3,708	$ 3,169	$ 221,184	$ 3,035	$ 279,744	$ 270,075	$ 1,014,888

See independent auditor's report.

LANIER COUNTY, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2018

	Revolving Loan Fund	Law Library Fund	Jail Fund	Victim Assistance Fund	D.A.T.E. Fund	State Drug And State Seizure Fund	Federal Seizure Equitable Sharing	Capital Projects 2012 SPLOST Fund	Capital Projects 2017 SPLOST Fund	Total
REVENUES										
Fines and forfeitures	$ -	$ 11,517	$ 21,856	$ 9,850	$ 3,864	$ 150	$ -	$ -	$ -	$ 47,237
Taxes	-	-	-	-	-	-	-	131,276	396,126	527,402
Investment income	3,173	84	-	-	-	-	-	1,167	47	4,471
TOTAL REVENUES	3,173	11,601	21,856	9,850	3,864	150	-	132,443	396,173	579,110
EXPENDITURES										
Current:										
Judicial	-	10,587	-	9,490	-	-	-	-	-	20,077
Public works	-	-	-	-	-	-	-	2,693	1,306	3,999
Public safety	-	-	13,694	-	-	3,519	-	-	-	17,213
Health and welfare	-	-	-	-	2,574	-	-	-	-	2,574
Intergovernmental	-	-	-	-	-	-	-	49,491	132,266	181,757
Capital outlay	-	-	-	-	-	-	-	141,083	7,500	148,583
Debt Service										
Principal	-	-	-	-	-	-	-	79,316	-	79,316
Interest	-	-	-	-	-	-	-	7,287	-	7,287
TOTAL EXPENDITURES	-	10,587	13,694	9,490	2,574	3,519	-	279,870	141,072	460,806
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	3,173	1,014	8,162	360	1,290	(3,369)	-	(147,427)	255,101	118,304
FUND BALANCE, BEGINNING OF YEAR	187,703	29,181	2,990	532	1,879	224,553	3,035	423,109	-	872,982
FUND BALANCE, END OF YEAR	$ 190,876	$ 30,195	$ 11,152	$ 892	$ 3,169	$ 221,184	$ 3,035	$ 275,682	$ 255,101	$ 991,286

See independent auditor's report.

LANIER COUNTY, GEORGIA
REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	$ -	$ -	$ 3,173	$ 3,173
TOTAL REVENUES	-	-	3,173	3,173
EXPENDITURES				
Current:				
Housing and development	180,515	180,515	-	(180,515)
TOTAL EXPENDITURES	180,515	180,515	-	(180,515)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	(180,515)	(180,515)	3,173	183,688
FUND BALANCE, BEGINNING OF YEAR	180,515	180,515	187,703	7,188
FUND BALANCE, END OF YEAR	$ -	$ -	$ 190,876	$ 190,876

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, 2018

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 26,728	$ 26,728	$ 11,517	$ (15,211)
Investment income	-	-	84	84
TOTAL REVENUES	26,728	26,728	11,601	(15,127)
EXPENDITURES				
Current:				
Judicial	26,728	26,728	10,587	(16,141)
TOTAL EXPENDITURES	26,728	26,728	10,587	(16,141)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	1,014	1,014
FUND BALANCE, BEGINNING OF YEAR	-	-	29,181	29,181
FUND BALANCE, END OF YEAR	$ -	$ -	$ 30,195	$ 30,195

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, 2018

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 4,233	$ 4,233	$ 21,856	$ 17,623
TOTAL REVENUES	4,233	4,233	21,856	17,623
EXPENDITURES				
Current:				
Public safety	4,233	4,233	13,694	9,461
TOTAL EXPENDITURES	4,233	4,233	13,694	9,461
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	8,162	8,162
FUND BALANCE, BEGINNING OF YEAR	-	-	2,990	2,990
FUND BALANCE, END OF YEAR	$ -	$ -	$ 11,152	$ 11,152

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, 2018

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 3,675	$ 3,675	$ 9,850	$ 6,175
TOTAL REVENUES	3,675	3,675	9,850	6,175
EXPENDITURES				
Current:				
Judicial	3,675	3,675	9,490	5,815
TOTAL EXPENDITURES	3,675	3,675	9,490	5,815
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	360	360
FUND BALANCE, BEGINNING OF YEAR	-	-	532	532
FUND BALANCE, END OF YEAR	$ -	$ -	$ 892	$ 892

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, 2018

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 4,516	$ 4,516	$ 3,864	$ (652)
TOTAL REVENUES	4,516	4,516	3,864	(652)
EXPENDITURES				
Current:				
Health and welfare	4,516	4,516	2,574	(1,942)
TOTAL EXPENDITURES	4,516	4,516	2,574	(1,942)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	1,290	1,290
FUND BALANCE, BEGINNING OF YEAR	-	-	1,879	1,879
FUND BALANCE, END OF YEAR	$ -	$ -	$ 3,169	$ 3,169

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, 2018

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 112,443	$ 112,443	$ 150	$ (112,293)
TOTAL REVENUES	112,443	112,443	150	(112,293)
EXPENDITURES				
Current:				
Public safety	112,443	112,443	3,519	(108,924)
TOTAL EXPENDITURES	112,443	112,443	3,519	(108,924)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	(3,369)	(3,369)
FUND BALANCE, BEGINNING OF YEAR	-	-	224,553	224,554
FUND BALANCE, END OF YEAR	$ -	$ -	$ 221,184	$ 221,185

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, 2018

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

See independent auditor's report.

LANIER COUNTY, GEORGIA
2012 SPECIAL PURPOSE LOCAL OPTION SALES TAX
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 346,486	$ 346,486	$ 131,276	$ (215,210)
Investment income	-	-	1,167	1,167
TOTAL REVENUES	346,486	346,486	132,443	(214,043)
EXPENDITURES				
Current:				
Public works	296,486	296,486	2,693	(293,793)
Intergovernmental	50,000	50,000	49,491	(509)
Capital outlay	-	-	141,083	141,083
Debt Services				
Principal	-	-	79,316	79,316
Interest	-	-	7,287	7,287
TOTAL EXPENDITURES	346,486	346,486	279,870	(66,616)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(147,427)	(147,427)
FUND BALANCE, BEGINNING OF YEAR	-	-	423,109	423,109
FUND BALANCE, END OF YEAR	$ -	$ -	$ 275,682	$ 275,682

See independent auditor's report.

LANIER COUNTY, GEORGIA
2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ -	$ -	$ 396,126	$ 396,126
Investment income	-	-	47	47
TOTAL REVENUES	-	-	396,173	396,173
EXPENDITURES				
Current:				
Public works	-	-	1,306	1,306
Intergovernmental	-	-	132,266	132,266
Capital outlay	-	-	7,500	7,500
TOTAL EXPENDITURES	-	-	141,072	141,072
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	255,101	255,101
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 255,101	$ 255,101

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, 2018

	AGENCY FUNDS					
	TAX COMMISSIONER	PROBATE JUDGE	CLERK OF SUPERIOR COURT	OFFICE OF SHERIFF	MAGISTRATE COURT	TOTAL
ASSETS						
Cash	$ 415,414	$ 27,631	$ 73,869	$ 19,999	$ 10,131	$ 547,044
TOTAL ASSETS	$ 415,414	$ 27,631	$ 73,869	$ 19,999	$ 10,131	$ 547,044
LIABILITIES AND NET POSITION						
LIABILITIES						
Due to others	$ 415,414	$ 27,631	$ 73,869	$ 19,999	$ 10,131	$ 547,044
TOTAL LIABILITIES	$ 415,414	$ 27,631	$ 73,869	$ 19,999	$ 10,131	$ 547,044
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, 2018

		Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
OFFICE OF TAX COMMISSIONER					
ASSETS					
Cash		$ 615,066	$ 8,143,459	$ 8,343,111	$ 415,414
	TOTAL ASSETS	$ 615,066	$ 8,143,459	$ 8,343,111	$ 415,414
LIABILITIES					
Due to others		$ 615,066	$ 8,143,459	$ 8,343,111	$ 415,414
	TOTAL LIABILITIES	$ 615,066	$ 8,143,459	$ 8,343,111	$ 415,414
PROBATE JUDGE					
ASSETS					
Cash		$ 17,265	$ 311,911	$ 301,545	$ 27,631
	TOTAL ASSETS	$ 17,265	$ 311,911	$ 301,545	$ 27,631
LIABILITIES					
Due to others		$ 17,265	$ 311,911	$ 301,545	$ 27,631
	TOTAL LIABILITIES	$ 17,265	$ 311,911	$ 301,545	$ 27,631
CLERK OF COURT					
ASSETS					
Cash		$ 64,064	$ 301,150	$ 291,345	$ 73,869
	TOTAL ASSETS	$ 64,064	$ 301,150	$ 291,345	$ 73,869
LIABILITIES					
Due to others		$ 64,064	$ 301,150	$ 291,345	$ 73,869
	TOTAL LIABILITIES	$ 64,064	$ 301,150	$ 291,345	$ 73,869

See independent auditor's report.

LANIER COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
For the Year Ending June 30, 2018

		Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
OFFICE OF SHERIFF					
ASSETS					
Cash		$ 5,941	$ 73,413	$ 59,355	$ 19,999
	TOTAL ASSETS	$ 5,941	$ 73,413	$ 59,355	$ 19,999
LIABILITIES					
Due to others		$ 5,941	$ 73,413	$ 59,355	$ 19,999
	TOTAL LIABILITIES	$ 5,941	$ 73,413	$ 59,355	$ 19,999
MAGISTRATE COURT					
ASSETS					
Cash		$ 8,206	$ 111,526	$ 109,601	$ 10,131
	TOTAL ASSETS	$ 8,206	$ 111,526	$ 109,601	$ 10,131
LIABILITIES					
Due to others		$ 8,206	$ 111,526	$ 109,601	$ 10,131
	TOTAL LIABILITIES	$ 8,206	$ 111,526	$ 109,601	$ 10,131

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, 2018

2012 SPLOST	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Roads, streets and bridge purposes	$ 6,230,000	$ 1,933,947	$ 1,427,886	$ 230,379	$ 1,658,265	85.75%
City of Lakeland	3,770,000	1,039,499	990,008	49,491	1,039,499	100.00%
Totals	$ 10,000,000	$ 2,973,446	$ 2,417,894	$ 279,870	$ 2,697,764	

2017 SPLOST	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Roads, streets and bridge purposes	$ 7,493,625	$ 7,493,625	$ -	$ 8,806	$ 8,806	0.12%
Park & Recreation Project	832,625	832,625	-	-	-	0.00%
City of Lakeland	4,173,750	4,173,750	-	132,266	132,266	3.17%
Totals	$ 12,500,000	$ 12,500,000	$ -	$ 141,072	$ 141,072	

See independent auditor's report.

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

To the Board of Commissioners
of Lanier County, Georgia
Lakeland, 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 business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lanier County, Georgia as of and for the year ended June 30, 2018, 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 November 7, 2019. Our report includes a reference to other auditors who audited the financial statements of the Lanier County Board of Health, as described in our report on Lanier County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. [2018-001, 2018-002].

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

consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies. [2018-003, 2018-004, 2018-005, 2018-006, 2018-007, 2018-008].

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items [2018-003].

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.

Carr, Riggs & Ingram, L.L.C.

Tifton, Georgia
November 7, 2019

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued	Unmodified			
Internal control over financial reporting				
Material weakness identified?	X	Yes		No
Significant deficiencies identified not considered to be material weakness?	X	Yes		No
Noncompliance material to financial statements noted?		Yes	X	No

SECTION II FINDINGS – FINANCIAL STATEMENT FINDINGS AND RESPONSES

Material Weakness

2018-001 Segregation of Duties

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

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.

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

Effect of Condition:
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.

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.

Response of Management:
Management concurs with this finding and will develop policies to ensure that all expenditures of federal wards, federal awards from pass-through entities and the federal portion of multi-funded awards are identified and included in the preparation of the SEFA.

SECTION II FINDINGS – FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2018-002 Reconciliation and approval of payroll by management

Criteria:
Internal control procedures should be in place to ensure that an appropriate level of management or a key employee reconciles, reviews and approves payroll, evidenced by date and signature of management or a key employee.

Condition:
The County does not employ internal control procedures to reconcile payroll registers to the general ledger or ensure that proper review of payroll registers is reviewed and approved, evidenced by date and signature, of an appropriate level of management or a key employee.

Cause of Condition:
There are no policies or procedures in place to require the reconciliation to the general ledger or the review and approval by management or a key employee.

Effect of Condition:
Payroll registers are not reconciled to the general ledger and transactional errors are not detected; changes or errors in payroll processing are not reviewed and are undetected.

Recommendation:
Develop and follow written policies and procedures to reconcile payroll registers to general ledger each pay period. Designate an individual in management or a key employee to perform a review and approval of the payroll register. Require evidence of review and approval by date and signature.

Response of Management:
Management concurs with this finding and will implement policies and procedures to eliminate reoccurrence.

Significant Deficiencies – Not Considered a Material Weakness

2018-003 Appropriations in Excess of Budgets

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

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

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

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

SECTION II FINDINGS – FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

Significant Deficiencies – Not Considered a Material Weakness (Continued)

2018-003 Appropriations in Excess of Budgets (Continued)

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

Response of Management:
Management concurs with this finding and will work toward improving the budget process and amending the budget when appropriate.

2018-004 Accounting for Receivables and Related Revenues, and Deferred Inflows of Resources

Criteria:
Internal controls should be in place to ensure receivables, revenues and deferred inflows of resources are properly recorded at year-end in accordance with generally accepted accounting principles.

Condition:
Internal controls were not sufficient to prevent misstatements in reporting of the County's taxes receivable, deferred inflows of resources and revenues balances in the General Fund

Effect of Condition:
Misstatements were detected from audit procedures in taxes receivable, deferred inflows of resources and revenue balances of the General Fund.

Cause of Condition:
Errors in recording of tax receipts from the tax commissioner's office compounded by untimely remittances of tax revenues to the General Fund from the tax commissioner's office.

Recommendation:
Develop policies and procedures that assure periodic reconciliation of tax remittances and receipts between the General Fund and tax commissioner's office to ensure that balances are recorded properly and timely in accordance with generally accepted accounting principles.

Response of Management:
Management concurs with this finding and will work toward improving the accounting for receivables, related revenues and deferred inflows of resources.

2018-005 Accounting for Interfund Balances

Criteria:
Transactions between County funds should be recorded timely, accurately and appropriately in accordance with generally accepted accounting principles.

Condition:
Internal controls over these transactions failed to detect misstatements and incorrectly recorded transactions.

SECTION II FINDINGS – FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2018-005 Accounting for Interfund Balances (Continued)

Effect of Condition:
Amounts due between County funds were misstated. The misstatements were detected as a result of audit procedures.

Cause of Condition:
Failure to record transactions between County funds timely, accurately and appropriately.

Recommendation:
Develop policies and procedures that assure transactions between County funds are recorded timely, accurately and appropriately in accordance with generally accepted accounting principles.

Response of Management:

Management concurs with this finding and will work toward improving the accounting for transactions between County funds.

2018-006 Accounting for Transactions With Other Governments

Criteria:
Transactions between the County and other governments should be recorded timely, accurately and appropriately in accordance with generally accepted accounting principles.

Condition:
Internal controls over these transactions failed to detect misstatements and incorrectly recorded transactions.

Effect of Condition:
Amounts due between the County and other governments were misstated. The misstatements were detected as a result of audit procedures.

Cause of Condition:
Failure to record transactions between the County and other governments timely, accurately and appropriately.

Recommendation:
Develop policies and procedures that assure transactions between the County and other governments recorded timely, accurately and appropriately in accordance with generally accepted accounting principles.

Response of Management:

Management concurs with this finding and will work toward improving the accounting for transactions between the County and other governments.

2018-007 Year-end Financial Close and Reporting Controls

Criteria:

Internal controls could be in place to ensure that all amounts reported within the financial statements are accurate, appropriately reported in the correct period and in accordance with accounting standards generally accepted in the United State of America and have been properly reconciled with subsidiary ledgers.

SECTION II FINDINGS – FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2018-007 Year-end Financial Close and Reporting Controls (Continued)

Condition:

Internal controls were not in place to ensure accrued liabilities, prepaid expenses, long-term debt and other closing entries are properly reported within the financial statements.

Effect of Condition:

The accrued liabilities, prepaid expenses, long-term debt and related expenditures accounts were misstated at year-end. The misstatements were detected as a result of audit procedures.

Cause of Condition:
Failure to record accrued liabilities and related expenditures, accurately calculate year-end adjustments to prepaid expenses, and reconcile long-term debt principal reduction as part of year-end close out procedures.

Recommendation:

We recommend the County strengthen internal controls surrounding the year-end financial close out procedures.

Response of Management:
Management concurs with this finding and will work toward improving the year-end close out procedures to ensure accurate reporting of County balances.

2018-008 Year-end Financial Close and Reporting Controls – Journal Entries

Criteria:

Internal controls could be in place to ensure that all adequate documentation supporting manual year-end journal entries, including evidence of review and/or approval by management or a key employee, is kept in the County records.

Condition:

Internal controls were not in place to provide support and evidence of review and/or approval for manual journal entries made in the year-end financial closing process.

Effect of Condition:

Manual journal entries affecting the accounts of the General Fund are not supported by source documents and no evidence of review and/or approval by management or a key employee is present.

Cause of Condition:
Proper source documentation and evidence of approval of manual journal entries was not retained by the County when manual journal entries were prepared and recorded to the General Fund ledger.

Recommendation:

We recommend the County strengthen internal controls affecting the manual journal entry process, to require retainage of proper source documentation and evidence of review and approval on all manual journal entries.

SECTION II FINDINGS – FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2018-008 Year-end Financial Close and Reporting Controls – Journal Entries (Continued)

Response of Management:
Management concurs with this finding and will work toward developing and implementing controls surrounding the manual journal entry process.