

LUMPKIN COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2012

Prepared By:
The Lumpkin County Office of Financial Administration

INTRODUCTORY SECTION

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2012

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June 2, 2013

To the Citizens of Lumpkin County, Georgia:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of Lumpkin County, Georgia for the fiscal year ended December 31, 2012.

This report consists of management's representations concerning the finances of Lumpkin County and was prepared by the Office of Financial Administration. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. The County's comprehensive framework of internal controls is designed to provide reasonable, rather than absolute assurance that the financial statements will be free of material misstatements. We believe the data is presented in a manner which fairly sets forth the financial position and results of operations of the County as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain a comprehensive understanding of the County's financial activity have been included.

The County's financial statements have been audited by Mauldin & Jenkins LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Lumpkin County, Georgia's financial statements for the fiscal year ended December 31, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to assure compliance with applicable laws and regulations related to those programs. Thus internal controls are subject to periodic evaluation by management.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

General Information on Lumpkin County

Lumpkin County was officially established on December 3, 1832. Named in honor of Wilson Lumpkin, who served in both state houses, as governor, and in the U.S. House of Representatives and Senate, the County was carved out of what were then Cherokee, Hall and Habersham Counties.

Resting in the foothills of the Appalachian Mountains, Lumpkin County is 285 square miles in area, approximately 44% of which is located within the Chattahoochee National Forest. The population of the County has grown by 31% over the past ten years with a current 2012 census population estimate of 30,611.

In 1836, the Old Courthouse was built in the center of Dahlonega and is today the oldest public building in North Georgia. Also in 1836, the U.S. government opened one of the first Federal Branch Mints in Dahlonega. More than \$6 million in gold coins were minted at the site that was later to become North Georgia College and State University's Price Memorial Hall (the original mint building was burned to the foundation in 1878). The University was one of the first Federal Land Grant colleges and is to this day one of the premier military institutions in the nation.

Government Structure

Prior to January 1, 2005, Lumpkin County's Charter set forth a Sole Commissioner form of government under which the Commissioner was elected to serve as the executive and legislative body for the County.

The form of government was changed to a five person Board of Commissioners, effective January 1, 2005. The Board is comprised of four members that live in a specific district but are elected by voters countywide. Terms for the Board of Commissioners are staggered, so as to provide some continuity on the board. The Chairman is elected by voters countywide to serve a four year term. Each year, the members of the Board elect one of their own to serve as vice-chairman for the coming year. A County Manager, appointed by the Board of

Commissioners, serves as the administrative head of Lumpkin County Government. The County Manager provides direction to department heads and managers to implement policies set forth by the Board of Commissioners.

The citizens also elect other officials, such as the Tax Commissioner, Sheriff, Magistrate Court Judge, Probate Court Judge, Superior Court Judges, Clerk of Courts, Coroner and County Surveyor.

The County provides a full range of services, including police and fire protection, the construction and maintenance of highways, streets and other infrastructure, and recreational facilities.

The County maintains budgetary controls to ensure compliance with the annual appropriated budget approved by the Lumpkin County Board of Commissioners and State law. Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, debt service fund, and all special revenue funds. Project-length budgets are adopted for all capital projects funds. Annual operating budgets are not legally required for enterprise funds, but are prepared for use in planning, control and evaluation purposes. Budgetary control is essential to good financial management and the County has established a legacy of balanced budgets and good budgetary control. For each fund, financing sources are identified for all expenditures/expenses. The level of budgetary control (the level at which expenditures cannot legally exceed the approved budget) is established at the department level. The County does not currently use an encumbrance system under which purchase orders, contracts or other commitments for goods and services not yet received would be recorded as a reservation of fund balance. Instead, such commitments are re-budgeted each year.

Prior to January 1, 2005, the Sole Commissioner, the Director of Finance, and the Budget Officer acted as a Budget Committee. Subsequent to January 1, 2005, Georgia Senate Bill 58, the Act creating the Board of Commissioners, places the duty of budget preparation upon the County Manager.

Revenue and expenditure estimates are prepared by the responsible department and presented to the Budget Committee/County Manager in hearings open to the public. The Budget Committee/County Manager reviews the budget requests and makes decisions regarding the proposed budget. The proposed budget is presented to interested citizens during a public hearing. The Board of Commissioners then adopts the final budget at an official meeting.

Unforeseen situations may arise during the year that might require budget amendments. Department heads may request line-item budget amendments through the Finance Department, provided that the budget amendment does not increase or decrease the overall budget for that department. Any changes in department totals require approval at an official meeting by the Board of Commissioners.

Economic Condition and Outlook

Lumpkin County lies just 40 miles north of the perimeter highway that circles Atlanta, Georgia. It is also adjacent to Dawson County, which is one of the fastest growing counties in the nation. The busy State Route 400 crosses the southern portion of Lumpkin County, providing easy access for Atlanta area commuters. As the metropolitan Atlanta growth moves northward, Lumpkin County is now on the fringes of dense development creating a demand for residential properties. This growth also increases the demand for police and fire protection and water and sewer services.

The County's economy is based largely on a mix of tourism and related services, manufacturing, and agriculture. While the County has experienced a slight reduction in the rate of economic growth, its location and broad mix of industries has lessened the impact felt in other Counties in the State. We believe that the County is poised to rebound to the growth rates experienced in prior years, as the state and national economies continue to improve.

Major Initiatives & Accomplishments

During 2012, Lumpkin County received was awarded three grants for personnel totaling \$128,581 and a grant from ACCG for a wellness program for employees.

Other accomplishments during the year include:

- ❑ Resurfacing approximately 28.90 lane miles of County roads, using a combination of Federal, State, and local money.
- ❑ Completion of a communications tower.
- ❑ Completion of narrow banding mandate.
- ❑ Completion of a Senior Center renovation.
- ❑ Completion of phase 1 renovation to Administration Building.
- ❑ Completion of 3 of 4 phases of the Federal Highway Administration Minimum Maintained Retroreflectivity Levels requirement.

Financial Policies

The Finance Department strives to keep current with recommendations on financial policies and procedures. The policies and procedures adopted by the Lumpkin County Board of Commissioners are published in the codification of county ordinances and distributed to all departments as needed. There was no

significant impact to the current financial statements based on adopted policies or procedures.

Acknowledgements

The preparation, design and publication of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated service of the entire finance office staff. We would also like to express our appreciation and thanks to the firm of Mauldin & Jenkins CPA's, LLC. The firm's dedication to the highest standard of governmental accounting and auditing and strong support of the finance office staff throughout the year has proven to be extremely beneficial.

Sincere appreciation also goes to the various elected officials, and county department directors for their assistance and positive attitude throughout the year in matters pertaining to the financial affairs of the County.

We would also like to thank local photographer Jack Anthony for generously allowing us to use his photographs in this document.

Finally, we thank the Board of Commissioners for their support and direction in conducting the financial affairs of the County in a responsible manner.

Respectfully submitted,

Stanley J. Kelley
County Manager

C. Allison Martin
Director of Finance

OFFICIALS OF LUMPKIN COUNTY, GEORGIA

COMMISSIONER'S OFFICE

Dr. John Raber
William Scott
Timothy Bowden
Clarence Stowers
Clarence Grindle

Chairman
District 1
District 2
District 3
District 4

Stanley J. Kelley
Kathleen Walker

County Manager
County Clerk

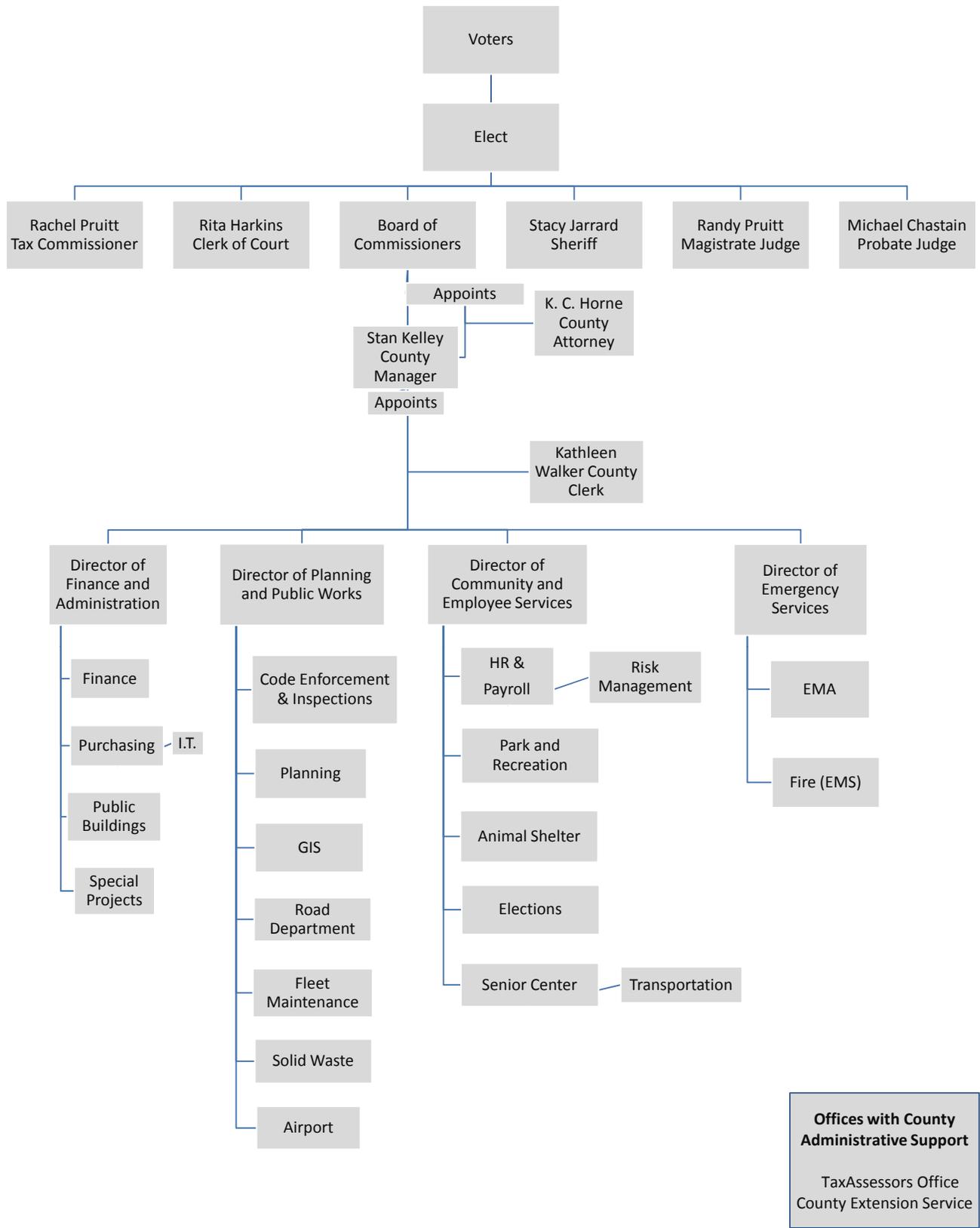
DEPARTMENT DIRECTORS

C. Allison Martin	Finance
Alicia Davis	Human Resources
Marvin Martin	Parks & Recreation
Larry Reiter	Planning/County Engineer
Vacant	Public Works
Linda Kirkpatrick	Senior Center
Allan Sargent	Chief Appraiser
Ashley Peck	Registrar
Eddy Harris	Animal Shelter
David Wimpy	Emergency Management

JUDICIAL & OTHER ELECTED OFFICIALS

Rita Harkins	Clerk of Court
Michael Chastain	Probate Judge
Randy Pruitt	Magistrate Judge
Jeff Langley	District Attorney
Murphy Miller	Chief Superior Court Judge
Raymond George	Superior Court Judge
Stan Gunter	Superior Court Judge
Gerald Bruce	Juvenile Court Judge
Rachel Pruitt	Tax Commissioner
Stacy Jarrard	Sheriff
Ronald Fortner	Coroner
Doug Sherill	County Surveyor

Lumpkin County's Organizational Chart FY - 2012



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
of Lumpkin County, Georgia
Dahlonega, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Lumpkin County, Georgia** (the "County"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Lumpkin County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lumpkin County Department of Public Health or the Development Authority of Lumpkin County, which represents 26 percent, 18 percent, and 47 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lumpkin County Department of Public Health and the Development Authority of Lumpkin County, 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.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lumpkin County, Georgia as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 15, Lumpkin County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 2012. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, (on pages 5 through 14) and the budgetary comparison information and schedule of funding progress (on pages 59 through 61) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

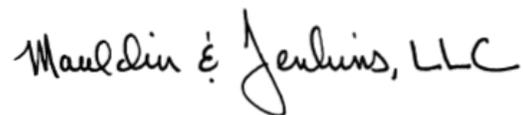
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lumpkin County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-21, as listed in the table of contents, are presented for purposes of additional analysis and are also not a required part of the basic financial statements. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, schedule of expenditures of federal awards, and schedule of expenditures of special purpose local option sales tax proceeds (collectively “the supplementary information”) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2013, on our consideration of Lumpkin County, Georgia’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



Atlanta, Georgia
June 2, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Lumpkin County's Comprehensive Annual Financial Report provides readers with a narrative overview and analysis of the County's financial performance during the fiscal year that ended on December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report, the County's basic financial statements, and notes to the financial statements to enhance their understanding of the activities and financial health of Lumpkin County.

The County is required to present a discussion and analysis of our financial condition and performance for the year ended December 31, 2012.

Financial Highlights

- ❑ Lumpkin County's governmental activities exceeded its liabilities at December 31, 2012 by \$73.7 million (*net position*). Of this amount, \$6.9 million (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ❑ As of December 31, 2012, the governmental funds of Lumpkin County reported combined ending fund balances of \$14.4 million, a decrease of \$1.6 million in comparison with the prior year. Approximately 43.8% of this amount, \$6.3 million, is *available for spending* at the government's discretion (*unassigned fund balance*).
- ❑ At the end of 2012, unassigned fund balance for the general fund was \$6.5 million, or 43.3% of total general fund expenditures.
- ❑ During 2002, the voters of Lumpkin County approved a Special Purpose Local Option Sales Tax (SPLOST) to be collected and used exclusively to service the debt associated with the Public Building Authority Issue, Series 2001. At the end of 2012, the Debt Service Fund had accumulated \$6.8 million toward the goal of retiring the 2001 issue.
- ❑ During 2012, Lumpkin County made principal and interest payments totaling \$1.7 million on the Public Building Authority Issue, Series 2001. These payments reduced the outstanding principal to \$4.460 million. The original issue was for \$15.75 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's *Basic Financial Statements*. The Basic Financial Statements contain three components: government-wide financial statements (including component unit 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 basic financial statements include two kinds of statements that present different views of the County:

- 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.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the County government, reporting the County's operations in more detail than the government-wide statements.
 - **Governmental Fund Statements** tell how *general government* services like general government, public safety, judicial system, public works, health and welfare, cultural and recreation, and housing and development were financed in the short-term as well as what remains for future spending.
 - **Proprietary Fund Statements** offer *short-term* and *long-term* financial information about the activities the County government operates similar to a private business. The Solid Waste Fund is reported as an enterprise fund.
 - **The Fiduciary Fund Statements** provides information about *Agency Fund* assets held by the County, which is acting solely as a *trustee or agent* for the benefit of others, to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required components, a section is included with combining statements that provide further detail about our non-major governmental funds, each of which are added together and presented in a single column in each of the basic financial statements.

Table A on the following page summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

TABLE A

Major Features of Lumpkin County’s Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds). The County’s Component Units are shown in separate columns on the required financial statements	The activities of the County that are not proprietary or fiduciary, such as general government public safety, judicial system, public works, health and welfare, culture and recreation and housing and development	Activities the County operates similar to private business, including the Solid Waste Fund.	Instances in which the County is the trustee or agent for someone else’s resources.
Required financial statements	<input type="checkbox"/> Statement of Net Position <input type="checkbox"/> Statement of Activities	<input type="checkbox"/> Balance Sheet <input type="checkbox"/> Statement of Revenues, Expenditures and Changes in Fund Balance	<input type="checkbox"/> Statement of Net Position <input type="checkbox"/> Statement of Revenues, Expenses and Changes in Net Position <input type="checkbox"/> Statement of Cash Flows	<input type="checkbox"/> Statement of Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the County’s funds do not currently contain capital assets, although they can
Type of inflow / outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All receipts and disbursements during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the County's *net position* and how they have changed. Net position, the difference between the County's assets and liabilities, is one way to measure the County's financial health or current position.

- ❑ Over time, increases or decreases in the County's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- ❑ To assess the overall health of the County, consideration should be given to additional non-financial factors such as changes in the County's property tax base and the condition of the County's roads.

The government-wide financial statements of the County are divided into three categories:

- ❑ *Governmental activities*: Most of the County's basic services are included here, such as general government, public safety, judicial system, public works, health and welfare, culture and recreation and housing and development. Property taxes, local option sales taxes, and State and Federal grants finance most of these activities.
- ❑ *Business-type activities*: The County charges fees to customers to help cover the costs of certain services it provides. The County's only Enterprise Fund, the Solid Waste Fund is included.
- ❑ *Component units*: The County includes five other entities in its report: The Lumpkin County Health Department, The Lumpkin County Water & Sewerage Authority, Development Authority of Lumpkin County, The Lumpkin County Hospital Authority and The Lumpkin County Public Building Authority. Although legally separate, these "component units" are important because the County is financially accountable for them. The Public Building Authority is reported as a blended component unit, since the operations are indistinguishable from those of the primary government.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds*, not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- ❑ Some funds are required by state law and by bond covenants.
- ❑ The County establishes other funds to control and manage resources for particular purposes (i.e. Debt Service and Capital Projects Funds) or show that certain revenues are used appropriately (i.e. Special Revenue Funds).

The County has three kinds of funds:

- *Governmental funds:* Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on the subsequent page of the governmental funds statement that explains the relationship (or differences) between the two types of statements.
- *Proprietary funds:* Services for which the County charges customers a fee and are expected to be largely self-supporting, are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The County's Enterprise Fund is classified as a business-type activity on the government-wide statements, but more detailed information is provided in the Proprietary Fund Statements, such as its cash flows.
- *Fiduciary funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These balances are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

Financial Analysis of the County as a Whole

Net position. As discussed earlier, net position may serve as a useful indicator of a government's financial position. As of December 31, 2012, the County's net position was \$73.9 million, which is an increase of approximately \$996 thousand from the prior year. Table B on the following page provides a summary of the County's Governmental and Business-type net positions for 2012 and 2011.

TABLE B

LUMPKIN COUNTY, GEORGIA'S NET POSITION
December 31, 2012 and 2011
(\$ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2012	2011	2012	2011	2012	2011
CURRENT AND OTHER ASSETS	\$24,423	\$25,769	\$8	\$0	\$24,431	\$25,769
CAPITAL ASSETS (net of depreciation)	79,263	78,021	694	709	79,957	78,730
TOTAL ASSETS	103,686	103,790	702	709	104,388	104,499
LONG-TERM LIABILITIES	20,570	22,031	462	484	21,032	22,515
OTHER LIABILITIES*	9,466	9,085	3	8	9,469	9,093
TOTAL LIABILITIES	30,036	31,116	465	492	30,501	31,608
NET POSITION:						
NET INVESTMENT IN CAPITAL ASSETS	59,032	56,295	694	709	59,726	57,004
RESTRICTED FOR DEBT SERVICE	6,853	8,092	0	0	6,853	8,092
RESTRICTED FOR CAPITAL PROJECTS	432	549	0	0	432	549
RESTRICTED FOR PUBLIC SAFETY ACTIVITIES	178	406	0	0	178	406
RESTRICTED FOR LAW LIBRARY OPERATIONS	114	134	0	0	114	134
RESTRICTED FOR JUDICIAL ACTIVITIES	180	165	0	0	180	165
RESTRICTED FOR TOURISM	8	6	0	0	8	6
UNRESTRICTED	6,853	7,027	(457)	(492)	6,396	6,535
TOTAL NET POSITION	\$73,650	\$72,674	\$237	\$217	\$73,887	\$72,891

*Other liabilities includes deferred inflows of resources

A significant portion (80.8%) of the net position represents the *net investment in capital assets*. This includes land, buildings, machinery and equipment, and infrastructure assets, offset with associated long-term debt liabilities. Capital assets are restricted for the purpose of providing services to the citizens of Lumpkin County; consequently, they are not available for future spending. Although the investment in 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.

Other restricted net position components represent resources that are subject to external restrictions on how they may be used and total 10.5% of the total. Included in this category are unspent SPLOST proceeds for Debt Service Reserves (9.2% of the total), funds restricted for capital projects (0.6% of the total), public safety activities (0.3% of the total), law library activities (0.1% of the total), judicial activities (0.29% of the total), and tourism (0.01% of the total).

The remaining 8.7% of net position represent the unrestricted portion available for the County's ongoing obligations to its citizens.

Changes in Revenues and Expenses. Table C presents the County's 2012 and 2011 revenues and expenses for Governmental and Business-type activities as they are reported in the Entity Wide Statements.

TABLE C
LUMPKIN COUNTY, GEORGIA'S CHANGES IN NET POSITION
Year Ended December 31, 2012 and 2011
(\$ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2012	2011	2012	2011	2012	2011
REVENUES:						
PROGRAM REVENUES:						
CHARGES FOR SERVICES	\$3,861	\$4,308	\$115	\$15	\$3,976	\$4,323
OPERATING GRANTS & CONTRIBUTIONS	1,287	1,555	0	0	1,287	1,555
CAPITAL GRANTS & CONTRIBUTIONS	583	16	13	0	596	16
GENERAL REVENUES:						
PROPERTY TAXES	8,818	9,047			8,818	9,047
SALES TAXES	5,471	5,358			5,471	5,358
OTHER TAXES	1,292	1,261			1,292	1,261
UNRESTRICTED INVESTMENT EARNINGS	319	395			319	395
GAIN ON SALE OF CAPITAL ASSETS	0	0	0	0	0	0
TOTAL REVENUES	21,631	21,940	128	15	21,759	21,955
EXPENSES:						
GENERAL GOVERNMENT	3,714	3,144			3,714	3,144
PUBLIC SAFETY	9,235	8,965			9,235	8,965
JUDICIAL SYSTEM	2,375	2,673			2,375	2,673
PUBLIC WORKS	2,472	2,614			2,472	2,614
HEALTH & WELFARE	589	595			589	595
CULTURE & RECREATION	955	1,014			955	1,014
HOUSING & DEVELOPMENT	426	421			426	421
INTEREST	863	917			863	917
SOLID WASTE	0	0	134	94	134	94
TOTAL EXPENSES	20,629	20,343	134	94	20,763	20,437
INCREASE IN NET POSITION BEFORE TRANSFERS	1,002	1,597	(6)	(79)	996	1,518
TRANSFERS	(26)	(66)	26	66	(0)	(0)
INCREASE (DECREASE) IN NET POSITION	976	1,531	20	(13)	996	1,518
NET POSITION, BEGINNING OF YEAR, RESTATED	72,674	71,143	217	230	72,891	71,373
NET POSITION, END OF YEAR	\$73,650	\$72,674	\$237	\$217	\$73,887	\$72,891

Governmental Activities: Governmental activities accounted for \$976 thousand of the excess in the County's net revenues over expenses for 2012 primarily due to the collection of back property taxes, interest and penalties.

Business-type Activities: The County's only business-type activity, the Solid Waste Fund, is privately leased and the only revenue from this activity will be rental income.

Financial Analysis of the County's Funds

Governmental Funds Overview: Lumpkin County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As described earlier, the County's governmental funds provide information on short-term inflows and outflows, as well as what remains for future spending. Such information is useful in assessing the County's financing requirements. For example, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2012, Lumpkin County Governmental Funds reported a combined fund balance of \$14.4 million. This amount was down \$1.6 million from 2011. Of the total combined fund balance, approximately 43.8% consists of *unassigned fund balance*, the portion of fund balance, which serves as a measure of current available financial resources.

The *restricted fund balance* represented resources not available for spending or those on which legal restrictions have been placed. The County's restricted fund balance makes up 53.5% of the combined total.

The General Fund, Debt Service Fund, and SPLOST Fund are the County's major governmental funds.

General Fund. The General Fund of Lumpkin County accounts for all transactions not accounted for in other funds. As the County's major operating fund, the General Fund accounts for ordinary operating expenditures financed primarily by property taxes and charges for services. The General Fund completed the year with a fund balance of \$6.8 million. This was the same as the previous year. Of the \$6.8 million, 94.4% is unassigned while the remaining 5.6% is non-spendable.

Debt Service. The Debt Service Fund accounts for the 2002 Special Purpose Local Option Sales Tax (SPLOST) money, including earned interest, which is reserved for retiring the Lumpkin County Public Building Authority Issue, Series 2001. This issue had an original principal balance of \$15.75 million and at December 31, 2012 had an outstanding principal balance of \$4.46 million. The fund balance of the Debt Service Fund is \$6.837 million.

SPLOST. This fund accounts for the 2008 SPLOST money, including earned interest, which is to be used for various capital projects as provided in Title 48, Chapter 8 of the Official Code of Georgia Annotated. At December 31, 2012 the fund balance of this fund was \$423 thousand.

Proprietary Funds Overview. The Proprietary fund is used to account for activities similar to those found in the private sector where determination of net income is necessary or useful to sound financial administration. Lumpkin County has one type of Proprietary Fund, The Enterprise Fund. The County's Proprietary Fund Statements provide the same type of information found in the government-wide statements, but in more detail.

Enterprise Fund. The Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises - where the costs (expenses, including depreciation) of providing goods or services to the general public are being financed or recovered primarily through user charges on a continuing basis. The Solid Waste Fund is the County's single enterprise fund. Total net position of the enterprise fund at the end of 2012 was \$237 thousand, representing an increase of \$20 thousand due largely to recycling revenues.

General Fund Budgetary Highlights

Over the course of the year, the governing authority revised the County's budget several times. The three primary reasons for amending the budget are:

- Carry forwards from the prior year's capital improvement projects that were not completed in the prior year and continued into the current year.
- Supplemental appropriations to increase revenue and expenditure accounts due to receipt of unanticipated grant revenue.
- Increases in appropriations due to unexpected needs.

Even with these adjustments, actual expenditures were \$490 thousand below final budget amounts.

Capital Assets and Debt Administration

Capital Assets

At the end of 2012, the County had acquired \$80 million (net of accumulated depreciation) in a broad range of capital assets for its governmental and business-type activities including land, buildings, park facilities, roads, bridges, heavy machinery, vehicles and equipment, and infrastructure.

- All infrastructure assets acquired to date are included in capital assets in accordance with GASB 34 requirements.
- The total increase in capital assets, net of accumulated depreciation, for the current fiscal year was \$1.3 million. The percentage increase in capital assets was 1.6%.
- Additional information on the County's capital assets can be found in Note 6 of the Notes to Financial Statements.

Debt Administration

Georgia Statutes provide for a general obligation debt limit of 10.0% of assessed valuation. The County had a general obligation debt capacity of \$107 million in 2012. The County currently has \$4.460 million subject to the limitation.

At December 31, 2012, Lumpkin County had the following outstanding long-term debt:

- \$20.2 million in notes payable.
- \$311 thousand in compensated absences.
- \$27 thousand in net pension obligation.
- Additional information on the County's long-term debt can be found in Note 8 of the Notes to Financial Statements.

Economic Factors and Next Year's Budgets and Rates

Economic conditions in the County stabilized during 2012, with minimal growth in the business sector. New housing starts were up in the County during 2012, with no real impact to the tax base and increasing demands for services. In an effort to stimulate growth of light industry and shift more of the tax burden from homeowners, a project to extend water and sewerage service was begun during 2003 and was completed during 2006 in the southern part of the County. This project has been completed and the County is beginning to see some retail growth in that area of the County.

Due to the sluggish economy, the 2013 budget plans for no increase in tax revenues and has anticipated a similar collection in revenues from sales tax and property tax. The economy has necessitated a tight spending budget for 2013 as the value of the digest continues to decline. The budget has decreased by \$285 thousand and the County has been able to maintain the same level of service even though fuel costs have risen. The County has also implemented a number of cost saving measures and is currently looking at joint ventures within the community to ease the burden placed on the operating budget.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, 99 Courthouse Hill, Suite D, Dahlonega, GA 30533.

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET POSITION DECEMBER 31, 2012

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 15,299,229	\$ -	\$ 15,299,229
Investments	5,565,741	-	5,565,741
Receivables (net of allowance for uncollectibles)	3,125,249	9,209	3,134,458
Prepaid items	306,488	413	306,901
Inventories	117,018	-	117,018
Internal balances	1,203	(1,203)	-
Due from component units	8,433	-	8,433
Capital assets, nondepreciable	35,908,674	192,103	36,100,777
Capital assets, depreciable, net of accumulated depreciation	43,354,330	501,956	43,856,286
Total assets	103,686,365	702,478	104,388,843
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	-	-
Total deferred outflows of resources	-	-	-
LIABILITIES			
Accounts payable	640,548	2,638	643,186
Accrued liabilities	582,999	-	582,999
Customer deposits	-	-	-
Due to primary government	-	-	-
Noncurrent liabilities due within one year			
Compensated absences	273,616	798	274,414
Landfill closure and postclosure	-	22,000	22,000
Certificates of participation	150,000	-	150,000
Notes payable	1,440,919	-	1,440,919
Bonds payable	-	-	-
Claims and judgments	-	-	-
Noncurrent liabilities due in more than one year			
Net pension obligation	27,402	-	27,402
Compensated absences payable	37,639	-	37,639
Landfill closure and postclosure	-	440,000	440,000
Certificates of participation	8,954,397	-	8,954,397
Notes payable	9,685,890	-	9,685,890
Bonds payable	-	-	-
Total liabilities	21,793,410	465,436	22,258,846
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues - intergovernmental	365,563	-	365,563
Unearned revenues - property taxes	7,877,295	-	7,877,295
Total deferred inflows of resources	8,242,858	-	8,242,858
NET POSITION			
Net investment in capital assets	59,031,798	694,059	59,725,857
Restricted for:			
Debt service	6,853,053	-	6,853,053
Capital projects	432,076	-	432,076
Public safety activities	178,029	-	178,029
Law library operations	114,410	-	114,410
Judicial activities	179,773	-	179,773
Tourism	8,212	-	8,212
Unrestricted	6,852,746	(457,017)	6,395,729
Total net position	\$ 73,650,097	\$ 237,042	\$ 73,887,139

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

Component Units			
Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
\$ 245,130	\$ 195,542	\$ 315,596	\$ 430,356
-	615,757	1,206,751	-
76,486	384	9,675	113,591
-	4,861	-	-
-	-	-	26,899
-	-	-	-
-	93,915	-	17,837
5,709	1,141,813	-	4,515,748
<u>327,325</u>	<u>2,052,272</u>	<u>1,532,022</u>	<u>5,104,431</u>
-	-	-	41,589
<u>-</u>	<u>-</u>	<u>-</u>	<u>41,589</u>
4,280	-	-	38,051
-	8,678	-	11,894
-	-	-	88,875
-	27	-	8,406
43,000	-	-	4,711
-	-	-	-
-	-	-	-
-	46,048	-	10,744
-	-	-	215,000
-	-	-	5,000
-	-	-	-
9,905	-	-	-
-	-	-	-
-	-	-	-
-	1,372,431	-	269,604
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,075,000</u>
57,185	1,427,184	-	2,727,285
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,709	(182,751)	-	2,004,826
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
264,431	807,839	1,532,022	413,909
<u>\$ 270,140</u>	<u>\$ 625,088</u>	<u>\$ 1,532,022</u>	<u>\$ 2,418,735</u>

LUMPKIN COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,714,412	\$ 1,072,076	\$ 232,116	\$ -
Judicial	2,375,084	618,745	485,473	-
Public safety	9,235,142	1,973,799	317,825	26,122
Public works	2,472,248	29,950	70,734	557,153
Health and welfare	588,504	57,322	180,421	-
Culture and recreation	955,103	-	-	-
Housing and development	425,608	108,764	-	-
Interest on long-term debt	862,965	-	-	-
Total governmental activities	20,629,066	3,860,656	1,286,569	583,275
Business-type activities:				
Solid waste management	134,037	115,415	-	12,635
Total business-type activities	134,037	115,415	-	12,635
Total primary government	\$ 20,763,103	\$ 3,976,071	\$ 1,286,569	\$ 595,910
Component units:				
Health Department	\$ 773,968	\$ 256,230	\$ 550,670	\$ -
Development Authority	243,807	119,400	18,657	-
Hospital Authority	33,741	-	-	-
Water and Sewerage Authority	955,335	1,036,950	-	-
Total component units	\$ 2,006,851	\$ 1,412,580	\$ 569,327	\$ -
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Other taxes				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year, restated				
Net position, end of year				

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

**Net (Expenses) Revenues and
Changes in Net Position**

Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
\$ (2,410,220)	\$ -	\$ (2,410,220)	\$ -	\$ -	\$ -	\$ -
(1,270,866)	-	(1,270,866)	-	-	-	-
(6,917,396)	-	(6,917,396)	-	-	-	-
(1,814,411)	-	(1,814,411)	-	-	-	-
(350,761)	-	(350,761)	-	-	-	-
(955,103)	-	(955,103)	-	-	-	-
(316,844)	-	(316,844)	-	-	-	-
(862,965)	-	(862,965)	-	-	-	-
<u>(14,898,566)</u>	<u>-</u>	<u>(14,898,566)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(5,987)	(5,987)	-	-	-	-
-	(5,987)	(5,987)	-	-	-	-
<u>(14,898,566)</u>	<u>(5,987)</u>	<u>(14,904,553)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	32,932	-	-	-
-	-	-	-	(105,750)	-	-
-	-	-	-	-	(33,741)	-
-	-	-	-	-	-	81,615
-	-	-	<u>32,932</u>	<u>(105,750)</u>	<u>(33,741)</u>	<u>81,615</u>
8,817,985	-	8,817,985	-	-	-	-
5,471,023	-	5,471,023	-	-	-	-
1,104,769	-	1,104,769	-	-	-	-
187,751	-	187,751	-	-	-	-
318,777	-	318,777	-	21,030	74,003	89
-	-	-	-	243	-	-
(26,483)	26,483	-	-	-	-	-
<u>15,873,822</u>	<u>26,483</u>	<u>15,900,305</u>	<u>-</u>	<u>21,273</u>	<u>74,003</u>	<u>89</u>
975,256	20,496	995,752	32,932	(84,477)	40,262	81,704
72,674,841	216,546	72,891,387	237,208	709,565	1,491,760	2,337,031
<u>\$ 73,650,097</u>	<u>\$ 237,042</u>	<u>\$ 73,887,139</u>	<u>\$ 270,140</u>	<u>\$ 625,088</u>	<u>\$ 1,532,022</u>	<u>\$ 2,418,735</u>

LUMPKIN COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2012

ASSETS	General	Debt Service	SPLOST	Nonmajor Governmental Funds	Total
Cash and cash equivalents	\$ 12,687,212	\$ 1,286,831	\$ 815,558	\$ 509,628	\$ 15,299,229
Investments	-	5,565,741	-	-	5,565,741
Receivables (net of allowance for uncollectibles)	2,235,592	184,636	262,478	442,543	3,125,249
Inventories	117,018	-	-	-	117,018
Due from other funds	1,112,213	-	-	66,818	1,179,031
Due from component units	8,433	-	-	-	8,433
Prepaid items	265,327	-	-	41,161	306,488
Total assets	\$ 16,425,795	\$ 7,037,208	\$ 1,078,036	\$ 1,060,150	\$ 25,601,189
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 489,731	-	\$ 95,330	\$ 55,487	\$ 640,548
Other accrued liabilities	364,776	-	-	-	364,776
Due to other funds	66,818	-	559,240	551,770	1,177,828
Total liabilities	921,325	-	654,570	607,257	2,183,152
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	689,930	15,651	-	9,849	715,430
Unearned revenue - property taxes	7,575,894	184,155	-	117,246	7,877,295
Unavailable revenue - other	26,448	-	-	62,661	89,109
Unearned revenue - intergovernmental	365,563	-	-	-	365,563
Total deferred inflows of resources	8,657,835	199,806	-	189,756	9,047,397
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	265,327	-	-	41,161	306,488
Inventories	117,018	-	-	-	117,018
Restricted for:					
Debt service	-	6,837,402	-	-	6,837,402
Capital projects	-	-	423,466	8,610	432,076
Public safety activities	-	-	-	115,368	115,368
Law library operations	-	-	-	114,410	114,410
Judicial activities	-	-	-	179,773	179,773
Tourism	-	-	-	8,212	8,212
Unassigned	6,464,290	-	-	(204,397)	6,259,893
Total fund balances	6,846,635	6,837,402	423,466	263,137	14,370,640
Total liabilities, deferred inflows of resources and fund balances	\$ 16,425,795	\$ 7,037,208	\$ 1,078,036	\$ 1,060,150	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	79,263,004
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	804,539
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(20,760,684)
Net pension obligation that is not due and payable in the current period and, therefore, not reported in governmental funds.	(27,402)

Net position of governmental activities **\$ 73,650,097**

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	General	Debt Service	SPLOST	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	\$ 12,130,129	\$ 213,914	\$ 3,054,374	\$ 256,363	\$ 15,654,780
Licenses and permits	28,758	-	-	102,477	131,235
Fines and forfeitures	490,783	-	-	86,606	577,389
Charges for services	2,427,466	-	-	598,244	3,025,710
Interest income	25,818	292,196	2,020	763	320,797
Intergovernmental	583,530	-	-	1,003,434	1,586,964
Contributions and donations	28,111	-	-	56,743	84,854
Other	112,227	-	-	5,652	117,879
Total revenues	<u>15,826,822</u>	<u>506,110</u>	<u>3,056,394</u>	<u>2,110,282</u>	<u>21,499,608</u>
Expenditures:					
Current:					
General government	3,115,551	-	53,364	6,375	3,175,290
Judicial	1,577,160	-	-	796,911	2,374,071
Public safety	7,583,306	-	-	1,260,351	8,843,657
Public works	1,103,362	-	-	24,611	1,127,973
Health and welfare	553,872	-	-	-	553,872
Culture and recreation	760,142	-	-	-	760,142
Housing and development	83,980	-	-	345,212	429,192
Intergovernmental	-	-	466,299	-	466,299
Capital outlay	-	-	2,167,734	826,462	2,994,196
Debt service:					
Principal	45,967	1,311,236	145,000	-	1,502,203
Interest	73,073	430,410	352,676	-	856,159
Total expenditures	<u>14,896,413</u>	<u>1,741,646</u>	<u>3,185,073</u>	<u>3,259,922</u>	<u>23,083,054</u>
Excess (deficiency) of revenues over expenditures	<u>930,409</u>	<u>(1,235,536)</u>	<u>(128,679)</u>	<u>(1,149,640)</u>	<u>(1,583,446)</u>
Other financing sources (uses):					
Transfers in	11,000	-	-	955,204	966,204
Transfers out	(951,687)	-	-	(41,000)	(992,687)
Total other financing sources (uses)	<u>(940,687)</u>	<u>-</u>	<u>-</u>	<u>914,204</u>	<u>(26,483)</u>
Net change in fund balances	(10,278)	(1,235,536)	(128,679)	(235,436)	(1,609,929)
Fund balances, beginning of year	<u>6,856,913</u>	<u>8,072,938</u>	<u>552,145</u>	<u>498,573</u>	<u>15,980,569</u>
Fund balances, end of year	<u>\$ 6,846,635</u>	<u>\$ 6,837,402</u>	<u>\$ 423,466</u>	<u>\$ 263,137</u>	<u>\$ 14,370,640</u>

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

LUMPKIN COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2012

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (1,609,929)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	1,028,610
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	213,145
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(118,500)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,495,088
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(33,158)</u>
Change in net position - governmental activities	<u><u>\$ 975,256</u></u>

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUND DECEMBER 31, 2012

	Solid Waste Management Fund
ASSETS	
Current assets:	
Receivables	\$ 9,209
Prepaid items	413
Total current assets	<u>9,622</u>
Noncurrent assets:	
Capital assets:	
Capital assets, not being depreciated	192,103
Capital assets, being depreciated	1,020,097
Less accumulated depreciation	<u>(518,141)</u>
Total capital assets, net of accumulated depreciation	<u>694,059</u>
Total assets	<u>703,681</u>
LIABILITIES	
Current liabilities:	
Accounts payable	2,638
Due to other funds	1,203
Compensated absences	798
Landfill postclosure, current	<u>22,000</u>
Total current liabilities	<u>26,639</u>
Long-term liabilities:	
Landfill postclosure	<u>440,000</u>
Total long-term liabilities	<u>440,000</u>
Total liabilities	<u>466,639</u>
NET POSITION	
Net investment in capital assets	694,059
Unrestricted	<u>(457,017)</u>
Total net position	<u>\$ 237,042</u>

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

LUMPKIN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Solid Waste Management Fund</u>
OPERATING REVENUES	
Charges for services	\$ 77,874
Other	37,541
Total operating revenues	<u>115,415</u>
OPERATING EXPENSES	
Salaries and benefits	38,670
Supplies and maintenance	41,809
Depreciation expense	53,558
Total operating expenses	<u>134,037</u>
Operating loss	<u>(18,622)</u>
Capital contributions	12,635
Transfers in	26,483
Total capital contributions and transfers	<u>39,118</u>
Change in net position	20,496
NET POSITION, beginning of year	<u>216,546</u>
NET POSITION, end of year	<u><u>\$ 237,042</u></u>

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Solid Waste Management Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 106,206
Payments to suppliers and service providers	(69,697)
Payments to employees	<u>(36,721)</u>
Net cash used in operating activities	<u>(212)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	<u>(26,271)</u>
Net cash used in capital and related financing activities	<u>(26,271)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer in from other funds	<u>26,483</u>
Net cash provided by noncapital financing activities	<u>26,483</u>
Net increase in cash and cash equivalents	-
Cash and cash equivalents:	
Beginning of year	<u>-</u>
End of year	<u>\$ -</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (18,622)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	53,558
Increase in receivables	(9,209)
Increase in prepaids	(196)
Decrease in accounts payable	(5,692)
Increase in due to other funds	1,203
Increase in compensated absences	746
Decrease in landfill postclosure care costs	<u>(22,000)</u>
Net cash used in operating activities	<u>\$ (212)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions	<u>\$ 12,635</u>

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES FIDUCIARY FUNDS DECEMBER 31, 2012

ASSETS	Agency Funds
Cash	\$ 721,056
Taxes receivable	2,562,442
Accounts receivable	<u>18,920</u>
Total assets	<u>\$ 3,302,418</u>
LIABILITIES	
Due to others	\$ 739,976
Uncollected taxes	<u>2,562,442</u>
Total liabilities	<u>\$ 3,302,418</u>

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

LUMPKIN COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lumpkin County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

Lumpkin County operates under a commissioner-manager form of government under which a five member Board of Commissioners is elected to serve as the legislative body for the County. The commission chairman is elected at large, while the remaining four commissioners are elected by geographical districts in which they reside by voters county wide. The County provides the following services: public safety, judicial, public works, health and welfare, culture and recreation, housing and development, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. Blended component units, although legally separate entities are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Unit

The Lumpkin County Public Building Authority (the "Building Authority"), which provides financing exclusively for County buildings, is governed by a five member board appointed by the Lumpkin County Board of Commissioners. The debt of the Building Authority is reported as part of the County's debt, and all debt service activity is reported in the County's debt service fund. Separate financial statements are not prepared for the Building Authority.

Discretely Presented Component Units

The Lumpkin County Department of Public Health (the "Health Department") is governed by a seven member board consisting of one member of the Board of Commissioners and two members as appointed by the Board of Commissioners. The County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health service fees. The Health Department has a June 30th year-end and is presented as a governmental type component unit.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

The Health Department's financial statements can be obtained by writing to the Lumpkin County Health Department, 56 Short Street, Dahlonega, GA 30533.

The Development Authority of Lumpkin County (the "Development Authority") is governed by a nine member board appointed by the Board of Commissioners. The Authority is responsible for promoting economic development within Lumpkin County. The Development Authority provides a financial benefit to the County. The Authority is reported as a proprietary type component unit.

The Development Authority's financial statements can be obtained by writing to the Development Authority of Lumpkin County, 99 Courthouse Hill, Suite A, Dahlonega, GA 30533.

The Lumpkin County Water and Sewerage Authority (the "Water Authority") is governed by a seven member board appointed by the Board of Commissioners. The Water Authority provides water and sewer services to the County, which is a financial benefit. The Authority is reported as a proprietary type component unit.

The Water Authority's financial statements can be obtained by writing to the Lumpkin County Water & Sewerage Authority, 194 Courthouse Hill, Annex A, Dahlonega, GA 30533.

The Lumpkin County Hospital Authority (the "Hospital Authority") is governed by a seven member board appointed by the Board of Commissioners. The County has the authority to approve or modify the budget of the Hospital Authority and has the ability to impose its will upon the Hospital Authority. The Authority provides medical services for indigent citizens of the County and is reported as a proprietary type component unit. The Hospital Authority does not issue separate financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Agency funds, however, have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Property taxes, sales taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if availability criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the County. The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The **Special Purpose Local Option Sales Tax Fund (SPLOST)** is used to account for the revenues and expenditures relating to the County's 1% Special Purpose Local Option Sales Tax issues.

The County reports the following major proprietary fund:

The **Solid Waste Management Fund** is used to account for the activities of the County's solid waste disposal program.

Additionally, the County reports the following fund types:

The **special revenue funds** account for revenue sources that are legally restricted to expenditure for specific purposes.

The **agency funds** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

In accounting and reporting for its proprietary operations, the County applies all Governmental Accounting Standards Board (GASB) pronouncements. For the year ended December 31, 2012, the County implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used have not been eliminated in this process.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund are charges to customers for sales and services provided. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in the fair value during the year are recognized as a component of interest income.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. Intangible assets, such as internally generated or purchased software, are defined as having an initial cost of \$25,000 and an estimated useful life in excess of two years, and all remaining intangible assets are defined as having an initial cost in excess of \$100,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The County has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

Capital assets of the primary government are depreciated using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Buildings and improvements	20 - 50
Machinery and equipment	5 - 20
Vehicles	3 - 10
Infrastructure	19 - 50

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows / Inflows of Resources

The County implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items, which arise only under a modified accrual basis of accounting, that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and other sources as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Additionally, the governmental funds balance sheet and the government wide statement of net position will report unearned property tax revenues as a deferred inflow of resources as the amount represents property taxes which have been received or are receivable as of the balance sheet date but which are meant to fund expenditures for the upcoming fiscal year and thus will be recognized as revenue in the period for which they were levied.

I. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amount when employees separate from service with the County. All vacation and annual leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. 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 purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

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

Restricted – Fund balances are reported as restricted when they include amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (passage of a resolution) of the Board of Commissioners. The same formal action is required to subsequently remove a commitment of fund balance.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

Assigned – Fund balances are reported as assigned when they include amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The Board of Commissioners has delegated the County Manager the authority to assign amounts to be used for specific purposes.

Unassigned – Fund balances are reported as unassigned as the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. In addition, any remaining deficits in the County's governmental funds which remain after all other fund balances have been exhausted are classified as unassigned.

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: (1) Committed, (2) Assigned, (3) 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 are 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.

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$20,760,684 difference are as follows:

Notes payable	\$ (11,126,809)
Certificates of participation	(9,170,000)
Discount on issuance of certificates of participation	65,603
Accrued interest	(218,223)
Compensated absences	<u>(311,255)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (20,760,684)</u></u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,028,610 difference are as follows:

Capital outlay	\$ 3,085,903
Depreciation expense	<u>(2,057,293)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ 1,028,610</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.” The details of this \$213,145 difference are as follows:

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold.	\$ (36,552)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	249,697
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	\$ <u>213,145</u>

Another element of the reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$1,495,088 difference are as follows:

Principal repayments on certificates of participation	\$ 145,000
Principal repayments on notes payable	1,357,203
Amortization of discount	(7,115)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	\$ <u>1,495,088</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$33,158 difference are as follows:

Compensated absences	\$ (33,617)
Net pension obligation	150
Accrued interest	309
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	\$ (33,158)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

1. Prior to July 1, the County Manager submits to the Board of Commissioners a proposed operating budget for each department for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments, giving notice thereof at least seven days in advance by publication in the official organ of the County.
3. The budget is then adopted by the Board of Commissioners at a public meeting.
4. Budget amounts can be transferred between line items within any department (the legal level of budgetary control); however, any revisions of the budget must be amended by formal action of the Board of Commissioners in a regular meeting.
5. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets are adopted for the General Fund, Debt Service Fund, and special revenue funds. Project length budgets are adopted for the capital projects funds.
6. Formal budgetary integration is employed as a measurement control device during the year for the General Fund, Debt Service Fund, and the special revenue funds. An annual operating budget is prepared for the Solid Waste Fund for planning, control, cost allocation and evaluation purposes. All appropriations lapse at year end.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. The supplementary budgetary appropriations made are reflected in the final budget amounts.

B. Deficit Fund Equity

The following funds had deficit fund balances at December 31, 2012. The fund deficits will be reduced through anticipated revenues, lower expenditures and General Fund appropriations, as needed.

Fund	Deficit
Drug Court Fund	\$ 26,623
Multiple Grant Fund	82,187
Planning Fund	94,862

C. Excess Expenditures Over Appropriations

For the year ended December 31, 2012 expenditures exceeded the budget in the funds and General Fund departments as follows:

Fund/Department	Excess
General Fund - Legislative	\$ 3,181
General Fund - Human Resources	947
General Fund - Financial Administration	287
General Fund - Tax Commissioner	6,569
General Fund - Judicial Administration	24,482
General Fund - Superior Court	20,936
General Fund - District Attorney	3,321
General Fund - Police	12,687
General Fund - Coroner	2,508
General Fund - Participant Recreation	150
Drug Rehabilitation Fund	5,194
Law Library Fund	19,337
Emergency Telephone System Fund	21,616
Confiscated Assets Fund	19,895
Special Programs Fund	55,674
Hotel / Motel Tax Fund	23,204
Juvenile Services Fund	2,969

The excess of expenditures over budget that are noted above were primarily funded by available fund balances.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

A. Primary Government

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities of the State of Georgia. As of December 31, 2012, the County's deposits were insured and/or collateralized as defined by state statutes and GASB pronouncements.

At December 31, 2012, the County had the following investments that are included in the custodial credit risk discussion above related to deposits:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of deposit	January 24, 2013	\$ 1,894,541
Certificate of deposit	June 24, 2013	1,895,980
Certificate of deposit	June 24, 2013	739,254
Certificate of deposit	June 24, 2013	739,815
Certificate of deposit	June 24, 2013	296,151
		<u>\$ 5,565,741</u>

Interest rate risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

B. Component Unit – Health Department

Custodial credit risk. As of June 30, 2012, all of the Health Department's deposits and investments were collateralized with the depository financial institution.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

C. Component Unit – Development Authority

As of December 31, 2012, the Development Authority had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of deposit	October 27, 2016	\$ 615,757

Interest rate risk. The Development Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk. As of December 31, 2012, all of the Development Authority had no uninsured deposits.

D. Component Unit – Hospital Authority

As of December 31, 2012, the Hospital Authority had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
GA Municipal Association COP	December 1, 2023	\$ 108,452
City of Dahlonega Revenue Bonds	July 1, 2030	218,756
City of Americus Bonds	June 1, 2030	128,554
Federal Farm Credit Bank	September 16, 2025	203,276
Federal Home Loan Mortgage Corp.	October 15, 2025	203,748
Federal Home Loan Mortgage Corp.	July 15, 2030	102,644
Tennessee Valley Authority	July 15, 2033	121,702
Federal Farm Credit Bank	June 8, 2037	119,619
Total		<u>\$ 1,206,751</u>

Interest rate risk. The Hospital Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk. As of December 31, 2012, all of the Hospital Authority's deposits and investments were collateralized with the depository financial institution.

E. Component Unit – Water Authority

Custodial credit risk. As of December 31, 2012, all of the Water Authority's deposits and investments were collateralized with the depository financial institution.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

A. Primary Government

Receivables at December 31, 2012, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>SPLOST Fund</u>	<u>Solid Waste Management Fund</u>	<u>Nonmajor Governmental Funds</u>
Receivables:					
Taxes	\$ 1,615,355	\$ 38,213	\$ 262,478	\$ 9,209	\$ 37,923
Other governments	300,550	-	-	-	322,589
Accounts	1,298,333	146,423	-	-	82,031
Gross receivables	<u>3,214,238</u>	<u>184,636</u>	<u>262,478</u>	<u>9,209</u>	<u>442,543</u>
Less allowance for uncollectibles	<u>(978,646)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net receivables	<u><u>\$ 2,235,592</u></u>	<u><u>\$ 184,636</u></u>	<u><u>\$ 262,478</u></u>	<u><u>\$ 9,209</u></u>	<u><u>\$ 442,543</u></u>

Property taxes for the 2012 fiscal year were levied on September 15, 2011, with property values assessed as of January 1, 2011. Bills are payable on or before November 15, 2011, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes attached as an enforceable lien on property as of January 1. Property taxes levied during 2012 are for fiscal year 2013. Amounts recorded as a receivable as well as amounts collected as of December 31, 2012 related to these taxes are recorded as deferred inflows of resources – unearned property taxes in the fund financial statements and in the government-wide statement of net position.

B. Component Unit – Water Authority

Receivables of the Water Authority, including the applicable allowances for uncollectible accounts, consisted of the following at December 31, 2012:

Receivables:	
Accounts	\$ 132,876
Less allowance for uncollectibles	(19,285)
Net total receivables	<u><u>\$ 113,591</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 19,990,107	\$ 75,645	\$ -	\$ -	\$ 20,065,752
Infrastructure land improvements	15,220,366	174,052	-	-	15,394,418
Construction in progress	14,353,505	-	-	(13,905,001)	448,504
Total capital assets, not being depreciated	<u>49,563,978</u>	<u>249,697</u>	<u>-</u>	<u>(13,905,001)</u>	<u>35,908,674</u>
Capital assets, being depreciated:					
Buildings and improvements	24,607,899	1,521,917	-	13,880,671	40,010,487
Machinery and equipment	3,682,123	542,825	(33,422)	24,330	4,215,856
Vehicles	3,737,607	303,663	(170,470)	-	3,870,800
Infrastructure	18,054,661	717,498	(167,863)	-	18,604,296
Total capital assets, being depreciated	<u>50,082,290</u>	<u>3,085,903</u>	<u>(371,755)</u>	<u>13,905,001</u>	<u>66,701,439</u>
Less accumulated depreciation for:					
Buildings and improvements	5,415,178	813,238	-	-	6,228,416
Machinery and equipment	2,585,964	181,360	(30,080)	-	2,737,244
Vehicles	2,420,456	200,724	(153,423)	-	2,467,757
Infrastructure	11,203,421	861,971	(151,700)	-	11,913,692
Total accumulated depreciation	<u>21,625,019</u>	<u>2,057,293</u>	<u>(335,203)</u>	<u>-</u>	<u>23,347,109</u>
Total capital assets, being depreciated, net	<u>28,457,271</u>	<u>1,028,610</u>	<u>(36,552)</u>	<u>13,905,001</u>	<u>43,354,330</u>
Governmental activities capital assets, net	<u>\$ 78,021,249</u>	<u>\$ 1,278,307</u>	<u>\$ (36,552)</u>	<u>\$ -</u>	<u>\$ 79,263,004</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
depreciated:				
Land	\$ 192,103	\$ -	\$ -	\$ 192,103
Total capital assets, not being depreciated	192,103	-	-	192,103
Capital assets, being depreciated:				
Land improvements	291,585	-	-	291,585
Buildings and improvements	542,006	-	-	542,006
Machinery and equipment	95,600	38,906	-	134,506
Vehicles	52,000	-	-	52,000
Total capital assets, being depreciated	981,191	38,906	-	1,020,097
Less accumulated depreciation for:				
Land improvements	235,395	36,217	-	271,612
Buildings and improvements	104,925	12,757	-	117,682
Machinery and equipment	77,463	4,584	-	82,047
Vehicles	46,800	-	-	46,800
Total accumulated depreciation	464,583	53,558	-	518,141
Total capital assets, being depreciated, net	516,608	(14,652)	-	501,956
Business-type activities capital assets, net	\$ 708,711	\$ (14,652)	\$ -	\$ 694,059

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:			
General government		\$	486,237
Public safety			415,997
Public works			921,356
Health and welfare			32,927
Culture and recreation			194,966
Housing and development			5,810
Total depreciation expense - governmental activities		<u>\$</u>	<u>2,057,293</u>

B. Discretely Presented Component Unit – Development Authority

Capital asset activity for the year ended December 31, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 93,915	\$ -	\$ -	\$ 93,915
Total	<u>93,915</u>	<u>-</u>	<u>-</u>	<u>93,915</u>
Capital assets, being depreciated:				
Building	1,377,227	-	-	1,377,227
Machinery and equipment	1,138	14,834	-	15,972
Total	<u>1,378,365</u>	<u>14,834</u>	<u>-</u>	<u>1,393,199</u>
Less accumulated depreciation for:				
Building	(221,968)	(28,107)	-	(250,075)
Machinery and equipment	(190)	(1,121)	-	(1,311)
Total	<u>(222,158)</u>	<u>(29,228)</u>	<u>-</u>	<u>(251,386)</u>
Total capital assets, being depreciated, net	<u>1,156,207</u>	<u>(14,394)</u>	<u>-</u>	<u>1,141,813</u>
Total capital assets, net	<u>\$ 1,250,122</u>	<u>\$ (14,394)</u>	<u>\$ -</u>	<u>\$ 1,235,728</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Water Authority

Capital asset activity for the year ended December 31, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases and Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 10,292	\$ 7,545	\$ -	\$ 17,837
Construction in progress	458,816	23,356	(482,172)	-
Total	<u>469,108</u>	<u>30,901</u>	<u>(482,172)</u>	<u>17,837</u>
Capital assets, being depreciated:				
Infrastructure	5,644,102	4,815	482,172	6,131,089
Machinery and equipment	47,774	-	-	47,774
Vehicles	48,489	-	-	48,489
Total	<u>5,740,365</u>	<u>4,815</u>	<u>482,172</u>	<u>6,227,352</u>
Less accumulated depreciation for:				
Infrastructure	(1,475,607)	(182,871)	-	(1,658,478)
Machinery and equipment	(20,145)	(9,515)	-	(29,660)
Vehicles	(16,556)	(6,910)	-	(23,466)
Total	<u>(1,512,308)</u>	<u>(199,296)</u>	<u>-</u>	<u>(1,711,604)</u>
Total capital assets, being depreciated, net	<u>4,228,057</u>	<u>(194,481)</u>	<u>482,172</u>	<u>4,515,748</u>
Total capital assets, net	<u>\$ 4,697,165</u>	<u>\$ (163,580)</u>	<u>\$ -</u>	<u>\$ 4,533,585</u>

D. Discretely Presented Component Unit – Department of Public Health

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Machinery and equipment	\$ 12,473	\$ -	\$ -	\$ 12,473
Total capital assets, being depreciated	<u>12,473</u>	<u>-</u>	<u>-</u>	<u>12,473</u>
Less accumulated depreciation for:				
Machinery and equipment	(6,050)	(714)	-	(6,764)
Total accumulated depreciation	<u>(6,050)</u>	<u>(714)</u>	<u>-</u>	<u>(6,764)</u>
Total capital assets, net	<u>\$ 6,423</u>	<u>\$ (714)</u>	<u>\$ -</u>	<u>\$ 5,709</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2012, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 551,770
General Fund	SPLOST Fund	559,240
General Fund	Solid Waste Fund	1,203
Nonmajor governmental funds	General Fund	66,818

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended December 31, 2012 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 11,000
Solid Waste Fund	General Fund	26,483
Nonmajor governmental funds	General Fund	925,204
Nonmajor governmental funds	Nonmajor governmental funds	30,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) provide unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Due from/to primary government and component units:

<u>Receivable entity</u>	<u>Payable entity</u>	<u>Amount</u>
Lumpkin County General Fund	Development Authority	\$ 27
Lumpkin County General Fund	Water & Sewerage Authority	8,406

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2012:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Certificates of participation	\$ 9,315,000	\$ -	\$ (145,000)	\$ 9,170,000	\$ 150,000
Less: Discount	(72,718)	-	7,115	(65,603)	-
Total certificates of participation	9,242,282	-	(137,885)	9,104,397	150,000
Notes payable	12,484,012	-	(1,357,203)	11,126,809	1,440,919
Net pension obligation	27,552	244,421	(244,571)	27,402	-
Compensated absences	277,638	277,681	(244,064)	311,255	273,616
Governmental activities long-term liabilities	<u>\$ 22,031,484</u>	<u>\$ 522,102</u>	<u>\$ (1,983,723)</u>	<u>\$ 20,569,863</u>	<u>\$ 1,864,535</u>
Business-type Activities:					
Landfill postclosure costs	\$ 484,000	\$ -	\$ (22,000)	\$ 462,000	\$ 22,000
Compensated absences	52	2,260	(1,514)	798	798
Business-type activities long-term liabilities	<u>\$ 484,052</u>	<u>\$ 2,260</u>	<u>\$ (23,514)</u>	<u>\$ 462,798</u>	<u>\$ 22,798</u>

For governmental activities, compensated absences and the net pension obligation are liquidated by the General Fund.

Notes Payable. In order to secure financing for the debts of the previous administration, the County transferred certain public buildings to a newly created entity, the Lumpkin County Public Building Authority. In February 2001, this Authority then sold those assets back to the County in exchange for the County's promise of payment backed by its full faith and credit and taxing power. The rights to receive those payments under the agreement for sale were then assigned to the bank which provided \$15,750,000 in financing. Scheduled repayment of this sum, including interest from 5.02% to 7.26%, is outlined below. Final payment is due February 1, 2017. In the event of any early payment, a premium determined by the February 2001 agreement would be due. During 2002, a Special Purpose Local Option Sales Tax was passed as provided by O.C.G.A. Sec 48-8-100, et seq. for the purpose of paying off and retiring a substantial portion of this debt.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The County's debt service requirements to maturity on this note payable are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,315,000	\$ 219,781	\$ 1,534,781
2014	1,405,000	132,470	1,537,470
2015	550,000	73,543	623,543
2016	580,000	45,180	625,180
2017	610,000	15,311	625,311
Total	<u>\$ 4,460,000</u>	<u>\$ 486,285</u>	<u>\$ 4,946,285</u>

In September 1999, Lumpkin County and the City of Dahlonega borrowed \$4,475,000 from the Georgia Environmental Finance Authority (GEFA) to develop a reservoir. During 2001, the City and County entered into an agreement to increase the loan amount to \$14,000,000. During 2006, the reservoir was completed and the loan finalized. The County's share of the obligation as of December 31, 2012, was \$6,666,809 which is 51% of the total debt outstanding. The note carries an interest rate of 3%.

The County's debt service requirements to maturity on the GEFA notes payable are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 125,919	\$ 198,282	\$ 324,201
2014	129,749	194,452	324,201
2015	133,696	190,505	324,201
2016	137,762	186,439	324,201
2017	141,952	182,249	324,201
2018-2022	777,213	843,795	1,621,008
2023-2027	902,823	718,184	1,621,007
2028-2032	1,048,735	572,273	1,621,008
2033-2037	1,218,228	402,780	1,621,008
2038-2042	1,415,114	205,894	1,621,008
2043-2045	635,618	22,146	657,764
Total	<u>\$ 6,666,809</u>	<u>\$ 3,716,999</u>	<u>\$ 10,383,808</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation. In March 2008, the County issued certificates of participation, Series 2008, in the principal amount of \$10,000,000 with principal and interest payments beginning October 15, 2008 through October 15, 2027 at an interest rate of 3.97%. Proceeds will be used to acquire, construct, and equip a new judicial center.

The County's debt service requirements to maturity on the certificates of participation are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 150,000	\$ 348,326	\$ 498,326
2014	510,000	343,826	853,826
2015	525,000	328,526	853,526
2016	540,000	311,726	851,726
2017	560,000	293,636	853,636
2018-2022	3,110,000	1,146,386	4,256,386
2023-2027	3,775,000	479,222	4,254,222
Total	<u>\$ 9,170,000</u>	<u>\$ 3,251,648</u>	<u>\$ 12,421,648</u>

Conduit debt. In December 2001, the Lumpkin County Public Building Authority issued \$5,000,000 in aggregate principal amount of Lumpkin County School District Qualified Zone Academy Project Bonds, Series 2001. The proceeds were used to rehabilitate, repair, renovate, extend and improve Lumpkin County Middle School and Lumpkin County Elementary School. As of December 31, 2012, the amount outstanding related to these bonds is \$831,349. The obligation of the Lumpkin County School District to make the payment required by the contract is a general obligation of the Lumpkin County School District for which its full faith and credit and taxing power are pledged. The Public Building Authority has no obligation to repay this debt beyond the funds received from the Lumpkin County School District. As a result, these bonds are considered conduit debt for the Public Building Authority and are not reported as liabilities.

Landfill post-closure costs. Effective June 17, 2003, the Lumpkin County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of December 31, 2012, the County has 21 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately \$462,000 over the 21 year period. These costs are based on what it would cost to perform all post-closure care in 2012, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Development Authority

Debt activity for the year ended December 31, 2012 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	\$ 1,460,930	\$ -	\$ (42,451)	\$ 1,418,479	\$ 46,048

Note Payable. The Authority issued a note payable on January 22, 2004 with a financial institution in order to finance the purchase of property. The note is secured by the real estate and lease receipts and will be repaid upon the sale of the property. Because the Authority has not sold the property, the note has been refinanced several times. The balance outstanding as of December 31, 2012 is \$1,418,479. Interest is paid monthly at the institution's prime rate plus 1.50%, which was 4.75% at December 31, 2012. The interest rate will not decrease below 5.25%. Principal and interest are paid monthly with a balloon payment of all remaining principal and accrued interest due on October 5, 2014. Interest expense for the year ended December 31, 2012 is \$76,776.

C. Discretely Presented Component Unit – Water Authority

Long-term debt activity for the year ended December 31, 2012 is as follows:

	Beginning Balance Restated	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	\$ 2,358,846	\$ -	\$ (68,846)	\$ 2,290,000	\$ 215,000
Notes payable	280,600	5,000	(5,252)	280,348	10,744
Claims and judgments	17,500	-	(12,500)	5,000	5,000
Compensated absences	1,938	8,330	(5,557)	4,711	4,711
Total long-term liabilities	\$ 2,658,884	\$ 13,330	\$ (92,155)	\$ 2,580,059	\$ 235,455

The Authority reports the entire balance of compensated absences as a current liability due to the fact that the Authority expects the ending liability to be used within one (1) year.

The beginning balance of the Authority's notes payable has been restated to reflect principal forgiveness which should have been recognized in the prior year. Additional information regarding this restatement can be found in Note 16.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

C. Discretely Presented Component Unit – Water Authority (Continued)

Bonds Payable. On November 9, 2010, the Authority issued a bond payable with a financial institution for the purpose of currently refunding \$2,840,000 in aggregate principal of the Series 2000 Revenue Bonds. The bond was issued in the amount of \$2,690,000 with an interest rate of 4.00%, interest payments due monthly and principal payments due annually on February 1 with the note maturing on February 1, 2021. As a result of this transaction, the Authority reports a deferred charge on refunding which is reported as a deferred outflow of resources. This item is being recognized as an expense (amortized) over the life of the bonds and has a balance of \$41,589 as of December 31, 2012.

Bonds payable debt service requirements to maturity are as follows:

Fiscal year ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 215,000	\$ 83,717	\$ 298,717
2014	220,000	74,933	294,933
2015	230,000	65,767	295,767
2016	245,000	56,017	301,017
2017	255,000	45,850	300,850
2018-2021	1,125,000	73,549	1,198,549
Total	<u>\$ 2,290,000</u>	<u>\$ 399,833</u>	<u>\$ 2,689,833</u>

Notes Payable. On March 23, 2011, the Authority issued a note payable to borrow a total of \$408,000 from the Georgia Environmental Finance Authority for the purpose of funding the Copper Ridge well improvement project. Additionally, the agreement with GEFA included a principal forgiveness component equal to 30% of the face value of the note or \$122,400. Monthly principal and interest payments are paid each month beginning June 1, 2012 through June 1, 2032 at an interest rate of 3.0%.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

C. Discretely Presented Component Unit – Water Authority (Continued)

The debt service requirements to maturity on the Authority's notes payable are as follows:

Year ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 10,744	\$ 8,264	\$ 19,008
2014	11,070	7,937	19,007
2015	11,407	7,600	19,007
2016	11,754	7,253	19,007
2017	12,112	6,896	19,008
2018-2022	66,313	28,723	95,036
2023-2027	77,031	18,005	95,036
2028-2032	79,917	5,614	85,531
Total	<u>\$ 280,348</u>	<u>\$ 90,292</u>	<u>\$ 370,640</u>

D. Discretely Presented Component Unit – Health Department

The following is a summary of the Health Department's long-term debt activity for the year ended June 30, 2012:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 55,149	\$ 41,119	\$ (43,363)	\$ 52,905	\$ 43,000

NOTE 9. DEFINED BENEFIT PLAN

Plan Description

The County sponsors the Association of County Commissioners of Georgia Lumpkin County Defined Benefit Plan (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan is affiliated with the Association of County Commissioners of Georgia Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan as provided in Section 19.03 of The ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan as provided in Section 19.02 of The ACCG Plan document. Complete financial statements for the Association of County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from GEBCorp, 3625 Cumberland Boulevard, Suite 825, Atlanta, Georgia 30339.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Funding Policy

The County is required to contribute an actuarially determined amount annually to The Plan's trust. A contribution amount is determined using actuarial methods and assumptions approved by The ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the plan.

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the year beginning January 1, 2012 are as follows:

	January 1, 2012	January 1, 2011
<u>Derivation of Annual Pension Cost</u>		
Annual Required Contribution	\$ 244,571	\$ 249,703
Interest on Net Pension Obligation	2,135	2,147
Amortization of Net Pension Obligation	(2,285)	(2,297)
Annual Pension Cost	\$ 244,421	\$ 249,553

Derivation of Net Pension Obligation

Annual Pension Cost for Current Year	\$ 244,421
Actual Contributions to Plan for Current Year	244,571
Increase in Net Pension Obligation	(150)
Net Pension Obligation (Asset) as of December 31, 2011	27,552
Net Pension Obligation (Asset) as of December 31, 2012	\$ 27,402

Basis of Valuation for Determining Contributions

Current Valuation Date	January 1, 2012
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.0% - 6.0% based on age
Expected Annual Inflation	2.5%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (closed)
Remaining Amortization Period	10

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

The following is a schedule of funding progress:

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
1/1/2012	\$ 1,828,102	\$ 2,708,829	\$ 880,727	67.49 %	\$ 4,898,118	17.98 %

See required supplementary information for a history of funding progress which presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2012.

Trend Information for The Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/12	\$ 244,421	\$ 244,571	100.1 %	\$ 27,402
1/1/11	249,553	249,703	100.1	27,552
1/1/10	225,852	226,003	100.1	27,702

NOTE 10. DEFINED CONTRIBUTION PLAN

The County, by resolution, adopted the ACCG 401(a), a defined contribution retirement plan, administered by GEBCorp. The plan provisions and contribution rates may also be amended by resolution. Current full-time employees are eligible to participate, beginning on their date of hire. The County shall make a matching contribution on behalf of each participant to the plan equal to 4% of the participant's compensation for each participant who contributes 2% of their compensation.

For the year ended December 31, 2012, the County's covered payroll for employees participating in this plan was \$4,006,892 and total payroll was \$7,955,222. The County's contribution was \$159,954 and employee contributions were \$167,802.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees and their dependents.

The County participates in the Georgia Interlocal Risk Management Agency Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of the risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, 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 workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The County also carries insurance for all other risks of loss, including general liability and errors and omission coverage through a private insurance company. Settled claims have not exceeded insurance coverage in any of the past three years. There have been no significant reductions of insurance coverage from coverage in the prior year.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grant Contingencies

The County has received Federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

NOTE 13. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Georgia Mountains Regional Commission (RC) and is required to pay annual dues thereto. During the year ended December 31, 2012, the County paid \$25,924 in such dues. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional development commission. Separate financial statements may be obtained from:

Georgia Mountains Regional Commission
P.O. Box 1720
Gainesville, GA 30503

The County participates with Union and Towns Counties in the North Georgia Waste Management Authority. The Authority studied solid waste disposal issues, developed a plan to recycle waste paper and has leased those facilities to private entities. Lumpkin County has an ongoing financial interest and obligation for funding debt service requirements. The participating counties are annually assessed varying amounts to cover the Authority's inability to service its debt. During the year ended December 31, 2012, the County made no payments to the Authority. As of December 31, 2012, the Authority does not have any debt outstanding. Separate financial statements can be obtained from their office at:

North Georgia Waste Management Authority
170 Scoggins Drive
Demorest, Georgia 30535

NOTES TO FINANCIAL STATEMENTS

NOTE 14. HOTEL/MOTEL TAX

The County has levied a 6% lodging tax. During the year ended December 31, 2012, the County collected \$125,449 in hotel/motel taxes. Of this amount \$123,204, or 98%, was expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTE 15. CHANGES IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City is required to change its accounting treatment of debt issuance costs. The new standard requires that debt issuance costs be recognized as an expense in the period incurred rather than accrued and recognized as an expense (amortized) in a systematic and rational manner over the duration of the related debt as was the required treatment in prior reporting periods.

Therefore, in conjunction with the implementation of Statement No. 65, the following restatements were required to the beginning net position of the Governmental Activities and Lumpkin County Water and Sewerage Authority to properly recognize debt issuance costs as expenses in the periods in which they were incurred:

Net position, Governmental Activities, previously reported	\$ 72,872,731
Recognition of issuance costs incurred in prior periods	(197,890)
Beginning net position, Governmental Activities, restated	<u>\$ 72,674,841</u>

Net position, Water Authority, previously reported	\$ 2,317,407
Recognition of issuance costs incurred in prior periods	(102,776)
Beginning net position, Water Authority, restated	<u>\$ 2,214,631</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 16. PRIOR PERIOD RESTATEMENT

The Lumpkin County Water and Sewerage Authority has determined that a restatement of beginning net position was required to record intergovernmental revenues and reduce notes payable for forgiveness of principal on notes payable balances. The Authority's note payable to GEFA included a principal forgiveness clause up to 30% of the face value of the note or \$122,400. The principal forgiveness should have been recorded as the project progressed and draws were made from GEFA. As the Authority completed substantially all of the construction related to this project as of December 31, 2011, the principal forgiveness should have been recorded as intergovernmental revenue in the prior period. This adjustment, in conjunction with restatement for the change in accounting principal discussed in Note 15, resulted in changes to beginning net position as follows:

Net position, Water Authority, as restated from change in accounting principle	\$ 2,214,631
Adjustment to record principal forgiveness of notes payable	<u>122,400</u>
Beginning net position, restated	<u><u>\$ 2,337,031</u></u>

NOTE 17. SUBSEQUENT EVENTS

On April 16, 2013, the Lumpkin County Public Building Authority (the Authority), a blended component unit of Lumpkin County, Georgia, issued Revenue Bonds, Series 2013 (the Bonds) in the face amount of \$9,835,000. The proceeds for the Series 2013 Bonds will be used for the purpose of acquiring a judicial facility. The Bonds will be repaid from payments made to the Authority by the County for the purchase and operation of the facility. County funding of the payments will be derived from a one percent local option sales and use tax. Interest on the Bonds is payable semiannually on May 1 and November 1 for each year, commencing on November 1, 2013. Principal payments commence in 2013 with final maturity coming in 2027.

REQUIRED SUPPLEMENTARY INFORMATION

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 11,970,132	\$ 12,225,432	\$ 12,130,129	\$ (95,303)
Licenses and permits	40,000	40,000	28,758	(11,242)
Fines and forfeitures	567,305	567,305	490,783	(76,522)
Charges for services	2,654,140	2,654,140	2,427,466	(226,674)
Interest income	25,892	25,892	25,818	(74)
Intergovernmental	599,135	676,135	583,530	(92,605)
Contributions and donations	16,100	16,100	28,111	12,011
Other	71,298	111,298	112,227	929
Total revenues	15,944,002	16,316,302	15,826,822	(489,480)
Expenditures:				
Current:				
General government:				
Legislative	145,054	145,054	148,235	(3,181)
Executive	232,754	235,507	229,224	6,283
Board of elections	181,075	181,882	152,181	29,701
Human resources	189,333	211,021	211,968	(947)
Financial administration	425,671	443,214	443,501	(287)
Data processing	217,126	217,992	195,540	22,452
Tax commissioner	319,785	325,906	332,475	(6,569)
Public/General buildings	744,782	749,177	743,954	5,223
Customer service	324,400	324,562	287,516	37,046
Tax assessor	405,983	416,302	362,073	54,229
Risk management	25,000	25,000	8,884	16,116
Total general government	3,210,963	3,275,617	3,115,551	160,066
Judicial:				
Judicial administration	319,536	352,449	376,931	(24,482)
Superior court	207,571	204,571	225,507	(20,936)
Clerk superior court	459,575	465,804	465,000	804
District attorney	30,650	30,650	33,971	(3,321)
Magistrate court	259,635	261,520	242,825	18,695
Probate court	234,519	237,476	232,926	4,550
Total judicial	1,511,486	1,552,470	1,577,160	(24,690)
Public safety:				
Police	19,500	21,845	34,532	(12,687)
Fire	1,955,308	2,082,861	2,004,863	77,998
Sheriff	5,106,736	5,343,296	5,253,682	89,614
Emergency medical services	61,092	61,127	60,682	445
Coroner	24,306	24,308	26,816	(2,508)
Other protection	209,493	212,044	202,731	9,313
Total public safety	7,376,435	7,745,481	7,583,306	162,175
Public works:				
Public works administration	52,181	52,216	51,484	732
Highways and streets	1,099,124	1,010,438	892,589	117,849
Sanitation and wastewater	166,456	169,073	159,289	9,784
Total public works	1,317,761	1,231,727	1,103,362	128,365

(Continued)

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures: (Continued)				
Health and welfare:				
Health	\$ 230,210	\$ 230,210	\$ 224,849	\$ 5,361
Community services	354,513	357,953	329,023	28,930
Total health and welfare	<u>584,723</u>	<u>588,163</u>	<u>553,872</u>	<u>34,291</u>
Culture and recreation:				
Participant recreation	410,400	430,840	430,990	(150)
Library	329,152	329,152	329,152	-
Total culture and recreation	<u>739,552</u>	<u>759,992</u>	<u>760,142</u>	<u>(150)</u>
Housing and development:				
Conservation	52,319	52,319	51,870	449
Economic development	61,551	61,551	32,110	29,441
Total housing and development	<u>113,870</u>	<u>113,870</u>	<u>83,980</u>	<u>29,890</u>
Debt service:				
Principal	45,967	45,967	45,967	-
Interest	73,073	73,073	73,073	-
Total debt service	<u>119,040</u>	<u>119,040</u>	<u>119,040</u>	<u>-</u>
Total expenditures	<u>14,973,830</u>	<u>15,386,360</u>	<u>14,896,413</u>	<u>489,947</u>
Excess of revenues over expenditures	<u>970,172</u>	<u>929,942</u>	<u>930,409</u>	<u>467</u>
Other financing sources (uses):				
Transfers in	-	-	11,000	11,000
Transfers out	(970,172)	(1,222,247)	(951,687)	270,560
Total other financing sources (uses)	<u>(970,172)</u>	<u>(1,222,247)</u>	<u>(940,687)</u>	<u>281,560</u>
Net change in fund balances	-	(292,305)	(10,278)	282,027
Fund balances, beginning of year	<u>6,856,913</u>	<u>6,856,913</u>	<u>6,856,913</u>	<u>-</u>
Fund balances, end of year	<u>\$ 6,856,913</u>	<u>\$ 6,564,608</u>	<u>\$ 6,846,635</u>	<u>\$ 282,027</u>

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FUNDING PROGRESS
RETIREMENT PLAN

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
December 31,2012	\$ 1,828,102	\$ 2,708,829	\$ 880,727	67.5%	\$ 4,898,118	18.0%
December 31,2011	1,594,025	2,481,470	887,445	64.2%	5,033,107	17.6%
December 31,2010	1,367,926	2,197,884	829,958	62.2%	4,392,860	18.9%
December 31,2009	1,124,824	2,016,675	891,851	55.8%	4,759,587	18.7%
December 31,2008	1,006,023	1,694,220	688,197	59.4%	4,536,121	15.2%
December 31,2007	779,863	1,309,860	529,997	59.5%	3,725,143	14.2%

NOTE: See assumptions used for this schedule in the notes to the financial statements.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditure for particular purposes, as described below.

Drug Rehabilitation Fund - to account for funds collected from fines and forfeitures to be used to create and maintain a Drug Abuse Treatment and Education Fund; these funds are restricted by the Official Code of Georgia Annotated (OCGA) 15-21-100.

Law Library Fund - to account for the revenues and related expenditures of operating the County's Law Library; these funds are restricted by OCGA 36-15.

Emergency Telephone System Fund - to account for the monthly 911 charge to help fund the cost of providing emergency 911 services; these funds are restricted by OCGA 46-5-134.

Drug Court Fund - to account for funds collected and the related expenditures of the Drug Court established by Lumpkin and White Counties; these funds are restricted by the external resource providers to expenditure for specific purposes.

Juvenile Services Fund - to account for funds collected to be used for law enforcement activities; these funds are restricted by OCGA 15-11-71.

Confiscated Assets Fund - to account for the use of confiscated assets by the County's Police Department; these funds are restricted by the applicable State of Georgia confiscation and seizure laws.

Special Programs Fund - to account for fines, confiscated monies, and donations received that are to be expended within the guidelines of each program as established by the external resource providers.

Public Defender Fund - to account for funds from contributing counties to be used to maintain a circuit public defender's office as established by the external resource providers.

Technology Fee Fund - to account for funds collected from fines to be used by Magistrate and Probate courts for technology related expenditures in accordance with State of Georgia laws.

Multiple Grant Fund - to account for governmental grants received and the related expenditures.

Hotel/Motel Tax Fund - to account for the collection of hotel/motel taxes within the County and for the expenditures made distributing the collections to the appropriate entities as required by OCGA 48-13-51.

Planning Fund - to account for the revenues from the designated property tax levy and related expenditures for the operations of the County's Planning Department

Capital Projects Funds

Capital Projects Fund - to account for the resources accumulated and used for the acquisition and construction of major capital projects.

Community Development Block Grant Fund - to account for CDBG grant funds received and the related expenditures for the construction of the Senior Center in Lumpkin County.

LUMPKIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Special Revenue Funds						
	Drug Rehabilitation Fund	Law Library Fund	Emergency Telephone System Fund	Drug Court Fund	Juvenile Services Fund	Confiscated Assets Fund	Special Programs Fund
ASSETS							
Cash and cash equivalents	\$ 1,562	\$ 114,410	\$ -	\$ 6,682	\$ -	\$ 1,950	\$ 25,348
Receivables, net of allowance for uncollectibles	554	-	81,152	325	-	-	-
Due from other funds	39,275	-	-	-	6,765	-	-
Prepaid items	-	-	15,815	-	-	-	-
Total assets	\$ 41,391	\$ 114,410	\$ 96,967	\$ 7,007	\$ 6,765	\$ 1,950	\$ 25,348
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 194	\$ -	\$ 22,487	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	18,557	33,630	-	-	-
Total liabilities	194	-	41,044	33,630	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	-	-	-	-	-
Unearned revenue - property taxes	-	-	-	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
FUND BALANCES (DEFICIT)							
Nonspendable:							
Prepaid items	-	-	15,815	-	-	-	-
Restricted for:							
Capital projects	-	-	-	-	-	-	-
Public safety activities	41,197	-	40,108	-	6,765	1,950	25,348
Law library operations	-	114,410	-	-	-	-	-
Judicial activities	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-
Unassigned	-	-	-	(26,623)	-	-	-
Total fund balances (deficits)	41,197	114,410	55,923	(26,623)	6,765	1,950	25,348
Total liabilities, deferred inflows of resources, and fund balances	\$ 41,391	\$ 114,410	\$ 96,967	\$ 7,007	\$ 6,765	\$ 1,950	\$ 25,348

Special Revenue Funds					Capital Projects Funds		
Public Defender Fund	Technology Fee Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Planning Fund	Capital Projects Fund	Community Development Block Grant Fund	Total Nonmajor Governmental Funds
\$ 134,920	\$ 29,396	\$ -	\$ 47,850	\$ 145,510	\$ -	\$ 2,000	\$ 509,628
-	-	169,498	10,111	27,812	-	153,091	442,543
-	17,048	-	-	-	3,730	-	66,818
24,621	-	-	-	725	-	-	41,161
<u>\$ 159,541</u>	<u>\$ 46,444</u>	<u>\$ 169,498</u>	<u>\$ 57,961</u>	<u>\$ 174,047</u>	<u>\$ 3,730</u>	<u>\$ 155,091</u>	<u>\$ 1,060,150</u>
\$ 342	\$ 1,249	\$ 10,974	\$ 11,058	\$ 5,234	\$ 3,665	\$ 284	\$ 55,487
-	-	178,050	38,691	136,580	-	146,262	551,770
342	1,249	189,024	49,749	141,814	3,665	146,546	607,257
-	-	-	-	9,849	-	-	9,849
-	-	-	-	117,246	-	-	117,246
-	-	62,661	-	-	-	-	62,661
-	-	62,661	-	127,095	-	-	189,756
24,621	-	-	-	725	-	-	41,161
-	-	-	-	-	65	8,545	8,610
-	-	-	-	-	-	-	115,368
-	-	-	-	-	-	-	114,410
134,578	45,195	-	-	-	-	-	179,773
-	-	-	8,212	-	-	-	8,212
-	-	(82,187)	-	(95,587)	-	-	(204,397)
159,199	45,195	(82,187)	8,212	(94,862)	65	8,545	263,137
<u>\$ 159,541</u>	<u>\$ 46,444</u>	<u>\$ 169,498</u>	<u>\$ 57,961</u>	<u>\$ 174,047</u>	<u>\$ 3,730</u>	<u>\$ 155,091</u>	<u>\$ 1,060,150</u>

LUMPKIN COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Funds						
	Drug Rehabilitation Fund	Law Library Fund	Emergency Telephone System Fund	Drug Court Fund	Juvenile Services Fund	Confiscated Assets Fund	Special Programs Fund
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Fines and forfeitures	35,358	29,662	-	-	-	21,586	-
Charges for services	-	-	483,504	38,996	1,595	-	51,163
Interest income	-	-	-	38	-	17	18
Intergovernmental	-	-	-	61,021	6,980	-	400
Contributions and donations	-	-	-	35,000	-	-	17,743
Other revenues	-	-	-	5,652	-	-	-
Total revenues	35,358	29,662	483,504	140,707	8,575	21,603	69,324
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Judicial	35,000	49,337	-	184,749	10,469	-	-
Public safety	10,194	-	737,527	-	-	21,405	81,684
Public works	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	45,194	49,337	737,527	184,749	10,469	21,405	81,684
Excess (deficiency) of revenues over expenditures	(9,836)	(19,675)	(254,023)	(44,042)	(1,894)	198	(12,360)
Other financing sources (uses):							
Transfers in	-	-	243,924	30,000	-	-	-
Transfers out	(30,000)	-	-	-	-	-	(11,000)
Total other financing sources (uses)	(30,000)	-	243,924	30,000	-	-	(11,000)
Net change in fund balances	(39,836)	(19,675)	(10,099)	(14,042)	(1,894)	198	(23,360)
Fund balances (deficit), beginning of year	81,033	134,085	66,022	(12,581)	8,659	1,752	48,708
Fund balances (deficit), end of year	\$ 41,197	\$ 114,410	\$ 55,923	\$ (26,623)	\$ 6,765	\$ 1,950	\$ 25,348

Special Revenue Funds					Capital Projects Funds		
Public Defender Fund	Technology Fee Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Planning Fund	Capital Projects Fund	Community Development Block Grant Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 125,449	\$ 130,914	\$ -	\$ -	\$ 256,363
-	-	-	-	102,477	-	-	102,477
-	-	-	-	-	-	-	86,606
-	16,699	-	-	6,287	-	-	598,244
379	-	-	102	209	-	-	763
245,982	-	396,814	-	-	-	292,237	1,003,434
-	-	-	-	-	4,000	-	56,743
-	-	-	-	-	-	-	5,652
<u>246,361</u>	<u>16,699</u>	<u>396,814</u>	<u>125,551</u>	<u>239,887</u>	<u>4,000</u>	<u>292,237</u>	<u>2,110,282</u>
-	-	6,375	-	-	-	-	6,375
340,746	8,655	153,925	-	-	14,030	-	796,911
-	-	409,541	-	-	-	-	1,260,351
-	-	-	-	-	24,611	-	24,611
-	-	-	123,204	221,684	-	324	345,212
-	-	-	-	-	543,683	282,779	826,462
<u>340,746</u>	<u>8,655</u>	<u>569,841</u>	<u>123,204</u>	<u>221,684</u>	<u>582,324</u>	<u>283,103</u>	<u>3,259,922</u>
(94,385)	8,044	(173,027)	2,347	18,203	(578,324)	9,134	(1,149,640)
101,726	-	-	-	-	579,554	-	955,204
-	-	-	-	-	-	-	(41,000)
<u>101,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>579,554</u>	<u>-</u>	<u>914,204</u>
7,341	8,044	(173,027)	2,347	18,203	1,230	9,134	(235,436)
151,858	37,151	90,840	5,865	(113,065)	(1,165)	(589)	498,573
<u>\$ 159,199</u>	<u>\$ 45,195</u>	<u>\$ (82,187)</u>	<u>\$ 8,212</u>	<u>\$ (94,862)</u>	<u>\$ 65</u>	<u>\$ 8,545</u>	<u>\$ 263,137</u>

**LUMPKIN COUNTY, GEORGIA
DRUG REHABILITATION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 35,358	\$ 5,358
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>35,358</u>	<u>5,358</u>
Expenditures:				
Current:				
Judicial	30,000	30,000	35,000	(5,000)
Public safety	<u>10,000</u>	<u>10,000</u>	<u>10,194</u>	<u>(194)</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>45,194</u>	<u>(5,194)</u>
Deficiency of revenues over expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>(9,836)</u>	<u>164</u>
Other financing uses:				
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Total other financing uses	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net changes in fund balances	(40,000)	(40,000)	(39,836)	164
Fund balances, beginning of year	<u>81,033</u>	<u>81,033</u>	<u>81,033</u>	<u>-</u>
Fund balances, end of year	<u>\$ 41,033</u>	<u>\$ 41,033</u>	<u>\$ 41,197</u>	<u>\$ 164</u>

**LUMPKIN COUNTY, GEORGIA
LAW LIBRARY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 15,000	\$ 15,000	\$ 29,662	\$ 14,662
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>29,662</u>	<u>14,662</u>
Expenditures:				
Current:				
Judicial	30,000	30,000	49,337	(19,337)
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>49,337</u>	<u>(19,337)</u>
Net changes in fund balances	<u>(15,000)</u>	<u>(15,000)</u>	<u>(19,675)</u>	<u>(4,675)</u>
Fund balances, beginning of year	<u>134,085</u>	<u>134,085</u>	<u>134,085</u>	<u>-</u>
Fund balances, end of year	<u>\$ 119,085</u>	<u>\$ 119,085</u>	<u>\$ 114,410</u>	<u>\$ (4,675)</u>

**LUMPKIN COUNTY, GEORGIA
EMERGENCY TELEPHONE SYSTEM FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 490,134	\$ 511,877	\$ 483,504	\$ (28,373)
Total revenues	<u>490,134</u>	<u>511,877</u>	<u>483,504</u>	<u>(28,373)</u>
Expenditures:				
Current:				
Public safety	686,547	715,911	737,527	(21,616)
Total expenditures	<u>686,547</u>	<u>715,911</u>	<u>737,527</u>	<u>(21,616)</u>
Deficiency of revenues over expenditures	<u>(196,413)</u>	<u>(204,034)</u>	<u>(254,023)</u>	<u>(49,989)</u>
Other financing sources:				
Transfers in	196,413	204,034	243,924	39,890
Total other financing sources	<u>196,413</u>	<u>204,034</u>	<u>243,924</u>	<u>39,890</u>
Net changes in fund balances	-	-	(10,099)	(10,099)
Fund balances, beginning of year	<u>66,022</u>	<u>66,022</u>	<u>66,022</u>	<u>-</u>
Fund balances, end of year	<u>\$ 66,022</u>	<u>\$ 66,022</u>	<u>\$ 55,923</u>	<u>\$ (10,099)</u>

**LUMPKIN COUNTY, GEORGIA
DRUG COURT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 65,125	\$ 65,125	\$ 38,996	\$ (26,129)
Intergovernmental	30,000	81,000	61,021	(19,979)
Interest income	55	55	38	(17)
Contributions	35,000	35,000	35,000	-
Miscellaneous	3,300	3,300	5,652	2,352
Total revenues	<u>133,480</u>	<u>184,480</u>	<u>140,707</u>	<u>(43,773)</u>
Expenditures:				
Current:				
Judicial	177,133	228,133	184,749	43,384
Total expenditures	<u>177,133</u>	<u>228,133</u>	<u>184,749</u>	<u>43,384</u>
Deficiency of revenues over expenditures	<u>(43,653)</u>	<u>(43,653)</u>	<u>(44,042)</u>	<u>(389)</u>
Other financing sources:				
Transfers in	30,000	30,000	30,000	-
Total other financing sources	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net changes in fund balances	(13,653)	(13,653)	(14,042)	(389)
Fund deficits, beginning of year	<u>(12,581)</u>	<u>(12,581)</u>	<u>(12,581)</u>	<u>-</u>
Fund deficits, end of year	<u>\$ (26,234)</u>	<u>\$ (26,234)</u>	<u>\$ (26,623)</u>	<u>\$ (389)</u>

**LUMPKIN COUNTY, GEORGIA
JUVENILE SERVICES FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 1,595	\$ 1,595
Intergovernmental	7,500	7,500	6,980	(520)
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>8,575</u>	<u>1,075</u>
Expenditures:				
Current:				
Judicial	7,500	7,500	10,469	(2,969)
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>10,469</u>	<u>(2,969)</u>
Net changes in fund balances	-	-	(1,894)	(1,894)
Fund balances, beginning of year	<u>8,659</u>	<u>8,659</u>	<u>8,659</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 8,659</u></u>	<u><u>\$ 8,659</u></u>	<u><u>\$ 6,765</u></u>	<u><u>\$ (1,894)</u></u>

**LUMPKIN COUNTY, GEORGIA
CONFISCATED ASSETS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 1,500	\$ 1,500	\$ 21,586	\$ 20,086
Interest income	10	10	17	7
Total revenues	<u>1,510</u>	<u>1,510</u>	<u>21,603</u>	<u>20,093</u>
Expenditures:				
Current:				
Public safety	1,510	1,510	21,405	(19,895)
Total expenditures	<u>1,510</u>	<u>1,510</u>	<u>21,405</u>	<u>(19,895)</u>
Net changes in fund balances	-	-	198	198
Fund balances, beginning of year	<u>1,752</u>	<u>1,752</u>	<u>1,752</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,752</u>	<u>\$ 1,752</u>	<u>\$ 1,950</u>	<u>\$ 198</u>

**LUMPKIN COUNTY, GEORGIA
SPECIAL PROGRAMS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 51,163	\$ 31,163
Interest income	10	10	18	8
Intergovernmental	-	-	400	400
Contributions and donations	6,000	6,000	17,743	11,743
Total revenues	<u>26,010</u>	<u>26,010</u>	<u>69,324</u>	<u>43,314</u>
Expenditures:				
Current:				
Public safety	26,010	26,010	81,684	(55,674)
Total expenditures	<u>26,010</u>	<u>26,010</u>	<u>81,684</u>	<u>(55,674)</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(12,360)</u>	<u>(12,360)</u>
Other financing uses:				
Transfers out	-	-	(11,000)	(11,000)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(11,000)</u>	<u>(11,000)</u>
Net changes in fund balances	-	-	(23,360)	(23,360)
Fund balances, beginning of year	<u>48,708</u>	<u>48,708</u>	<u>48,708</u>	<u>-</u>
Fund balances, end of year	<u>\$ 48,708</u>	<u>\$ 48,708</u>	<u>\$ 25,348</u>	<u>\$ (23,360)</u>

**LUMPKIN COUNTY, GEORGIA
PUBLIC DEFENDER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 241,780	\$ 241,780	\$ 245,982	\$ 4,202
Interest income	350	350	379	29
Total revenues	<u>242,130</u>	<u>242,130</u>	<u>246,361</u>	<u>4,231</u>
Expenditures:				
Current:				
Judicial	341,112	341,112	340,746	366
Total expenditures	<u>341,112</u>	<u>341,112</u>	<u>340,746</u>	<u>366</u>
Deficiency of revenues over expenditures	<u>(98,982)</u>	<u>(98,982)</u>	<u>(94,385)</u>	<u>4,597</u>
Other financing sources:				
Transfers in	98,982	98,982	101,726	2,744
Total other financing sources	<u>98,982</u>	<u>98,982</u>	<u>101,726</u>	<u>2,744</u>
Net changes in fund balances	-	-	7,341	7,341
Fund balances, beginning of year	<u>151,858</u>	<u>151,858</u>	<u>151,858</u>	<u>-</u>
Fund balances, end of year	<u>\$ 151,858</u>	<u>\$ 151,858</u>	<u>\$ 159,199</u>	<u>\$ 7,341</u>

**LUMPKIN COUNTY, GEORGIA
TECHNOLOGY FEE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 19,000	\$ 19,000	\$ 16,699	\$ (2,301)
Total revenues	<u>19,000</u>	<u>19,000</u>	<u>16,699</u>	<u>(2,301)</u>
Expenditures:				
Current:				
Judicial	19,000	19,000	8,655	10,345
Total expenditures	<u>19,000</u>	<u>19,000</u>	<u>8,655</u>	<u>10,345</u>
Net changes in fund balances	-	-	8,044	8,044
Fund balances, beginning of year	<u>37,151</u>	<u>37,151</u>	<u>37,151</u>	<u>-</u>
Fund balances, end of year	<u>\$ 37,151</u>	<u>\$ 37,151</u>	<u>\$ 45,195</u>	<u>\$ 8,044</u>

**LUMPKIN COUNTY, GEORGIA
MULTIPLE GRANT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 324,186	\$ 393,735	\$ 396,814	\$ 3,079
Contributions and donations	3,000	3,000	-	(3,000)
Miscellaneous	24,391	24,391	-	(24,391)
Total revenues	<u>351,577</u>	<u>421,126</u>	<u>396,814</u>	<u>(24,312)</u>
Expenditures:				
Current:				
General government	53,000	53,000	6,375	46,625
Judicial	90,679	160,286	153,925	6,361
Public safety	377,440	385,190	409,541	(24,351)
Public works	78,000	78,000	-	78,000
Total expenditures	<u>599,119</u>	<u>676,476</u>	<u>569,841</u>	<u>106,635</u>
Deficiency of revenues over expenditures	<u>(247,542)</u>	<u>(255,350)</u>	<u>(173,027)</u>	<u>82,323</u>
Other financing sources:				
Transfers in	247,542	255,350	-	(255,350)
Total other financing sources	<u>247,542</u>	<u>255,350</u>	<u>-</u>	<u>(255,350)</u>
Net changes in fund balances	-	-	(173,027)	(173,027)
Fund balances, beginning of year	<u>90,840</u>	<u>90,840</u>	<u>90,840</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ 90,840</u>	<u>\$ 90,840</u>	<u>\$ (82,187)</u>	<u>\$ (173,027)</u>

**LUMPKIN COUNTY, GEORGIA
HOTEL/MOTEL TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Hotel/Motel taxes	\$ 100,000	\$ 100,000	\$ 125,449	\$ 25,449
Interest	100	100	102	2
Total revenues	<u>100,100</u>	<u>100,100</u>	<u>125,551</u>	<u>25,451</u>
Expenditures:				
Current:				
Housing and development	100,000	100,000	123,204	(23,204)
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>123,204</u>	<u>(23,204)</u>
Excess of revenues over expenditures	<u>100</u>	<u>100</u>	<u>2,347</u>	<u>2,247</u>
Other financing uses:				
Transfers out	(100)	(100)	-	100
Total other financing uses	<u>(100)</u>	<u>(100)</u>	<u>-</u>	<u>100</u>
Net changes in fund balances	-	-	2,347	2,347
Fund balances, beginning of year	<u>5,865</u>	<u>5,865</u>	<u>5,865</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,865</u>	<u>\$ 5,865</u>	<u>\$ 8,212</u>	<u>\$ 2,347</u>

**LUMPKIN COUNTY, GEORGIA
PLANNING FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 129,294	\$ 129,294	\$ 130,914	\$ 1,620
Licenses and permits	89,450	89,450	102,477	13,027
Charges for services	4,000	4,000	6,287	2,287
Interest income	1,000	1,000	209	(791)
Total revenues	<u>223,744</u>	<u>223,744</u>	<u>239,887</u>	<u>16,143</u>
Expenditures:				
Current:				
Housing and development	223,744	226,227	221,684	4,543
Total expenditures	<u>223,744</u>	<u>226,227</u>	<u>221,684</u>	<u>4,543</u>
Excess (deficiency) of revenues over expenditures	-	(2,483)	18,203	20,686
Other financing sources:				
Transfers in	-	2,483	-	(2,483)
Total other financing sources	<u>-</u>	<u>2,483</u>	<u>-</u>	<u>(2,483)</u>
Net changes in fund balances	-	-	18,203	18,203
Fund deficits, beginning of year	<u>(113,065)</u>	<u>(113,065)</u>	<u>(113,065)</u>	<u>-</u>
Fund deficits, end of year	<u>\$ (113,065)</u>	<u>\$ (113,065)</u>	<u>\$ (94,862)</u>	<u>\$ 18,203</u>

**LUMPKIN COUNTY, GEORGIA
DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 203,664	\$ 203,664	\$ 213,914	\$ 10,250
Investment income	281,500	281,500	292,196	10,696
Total revenues	<u>485,164</u>	<u>485,164</u>	<u>506,110</u>	<u>20,946</u>
Expenditures:				
Debt service:				
Principal	1,311,236	1,311,236	1,311,236	-
Interest	430,410	430,410	430,410	-
Total expenditures	<u>1,741,646</u>	<u>1,741,646</u>	<u>1,741,646</u>	<u>-</u>
Net change in fund balances	(1,256,482)	(1,256,482)	(1,235,536)	20,946
Fund balances, beginning of year	<u>8,072,938</u>	<u>8,072,938</u>	<u>8,072,938</u>	<u>-</u>
Fund balances, end of year	<u>\$ 6,816,456</u>	<u>\$ 6,816,456</u>	<u>\$ 6,837,402</u>	<u>\$ 20,946</u>

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Project</u>	<u>Estimated Cost</u>		<u>Expenditures</u>		<u>Total</u>
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	
2003 SPLOST					
Debt service - Public Building Authority	\$ 15,750,000	\$ 15,750,000	\$ 13,720,170	\$ 1,536,483	\$ 15,256,653
2008 SPLOST					
Judicial Facilities	\$ 14,000,000	\$ 6,517,428	\$ 6,015,926	\$ 501,502	\$ 6,517,428
Water & Sewer Infrastructure Expansion	4,000,000	268,000	-	-	-
Library Facilities	4,000,000	322,784	322,784	-	322,784
Roads & Bridges	3,000,000	2,317,854	773,769	515,000	1,288,769
Administrative Facilities	1,000,000	2,426,842	988,891	1,131,586	2,120,477
Public Safety Vehicles	1,376,000	1,075,000	394,309	276,360	670,669
Park & Recreation Facilities	1,000,000	985,575	985,575	-	985,575
Industrial Development Property	1,000,000	110,769	-	-	-
Fire Protection Facilities	600,000	122,574	84,964	27,400	112,364
Public Warning System	250,000	315,312	-	139,728	139,728
Public Works Equipment	250,000	500,000	60,974	127,198	188,172
E911 Equipment	240,000	213,754	213,754	-	213,754
City of Dahlonega Water Treatment Facilities	4,284,000	3,171,870	2,015,737	466,299	2,482,036
Total 2008 SPLOST	\$ 35,000,000	\$ 18,347,762	\$ 11,856,683	\$ 3,185,073	\$ 15,041,756
2003 SPLOST Expenditures disbursed from Debt Service Fund				<u>\$ 1,536,483</u>	
Total SPLOST Fund Expenditures				<u>\$ 3,185,073</u>	

AGENCY FUNDS

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

Tax Commissioner - to account for the collection of all property taxes which are disbursed to other taxing units.

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

The following agency funds are used to account for fines, fees and other moneys collected by the courts and remitted to other parties in accordance with court orders and state law:

Clerk of Courts
Probate Court
Magistrate Court

LUMPKIN COUNTY, GEORGIA

**COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2012**

<u>ASSETS</u>	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total
Cash	\$ 540,222	\$ 16,774	\$ 157,376	\$ 6,157	\$ 527	\$ 721,056
Taxes receivable	2,562,442	-	-	-	-	2,562,442
Accounts receivable	-	18,920	-	-	-	18,920
Total assets	<u>\$ 3,102,664</u>	<u>\$ 35,694</u>	<u>\$ 157,376</u>	<u>\$ 6,157</u>	<u>\$ 527</u>	<u>\$ 3,302,418</u>
<u>LIABILITIES</u>						
Due to others	\$ 540,222	\$ 35,694	\$ 157,376	\$ 6,157	\$ 527	\$ 739,976
Uncollected taxes	2,562,442	-	-	-	-	2,562,442
Total liabilities	<u>\$ 3,102,664</u>	<u>\$ 35,694</u>	<u>\$ 157,376</u>	<u>\$ 6,157</u>	<u>\$ 527</u>	<u>\$ 3,302,418</u>

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance January 1, 2012	Increases	Decreases	Balance December 31, 2012
<u>Tax Commissioner</u>				
ASSETS				
Cash	\$ 470,950	\$ 25,490,430	\$ (25,421,158)	\$ 540,222
Taxes receivable	2,833,731	13,798,560	(14,069,849)	2,562,442
Total assets	\$ 3,304,681	\$ 39,288,990	\$ (39,491,007)	\$ 3,102,664
LIABILITIES				
Due to others	\$ 470,950	\$ 25,490,430	\$ (25,421,158)	\$ 540,222
Uncollected taxes	2,833,731	13,798,560	(14,069,849)	2,562,442
Total liabilities	\$ 3,304,681	\$ 39,288,990	\$ (39,491,007)	\$ 3,102,664
<u>Sheriff</u>				
ASSETS				
Cash	\$ 16,798	\$ 132,656	\$ (132,680)	\$ 16,774
Accounts receivable	17,456	18,920	(17,456)	18,920
Total assets	\$ 34,254	\$ 151,576	\$ (150,136)	\$ 35,694
LIABILITIES				
Due to others	\$ 34,254	\$ 151,576	\$ (150,136)	\$ 35,694
Total liabilities	\$ 34,254	\$ 151,576	\$ (150,136)	\$ 35,694
<u>Clerk of Courts</u>				
ASSETS				
Cash	\$ 190,108	\$ 1,285,062	\$ (1,317,794)	\$ 157,376
Total assets	\$ 190,108	\$ 1,285,062	\$ (1,317,794)	\$ 157,376
LIABILITIES				
Due to others	\$ 190,108	\$ 1,285,062	\$ (1,317,794)	\$ 157,376
Total liabilities	\$ 190,108	\$ 1,285,062	\$ (1,317,794)	\$ 157,376

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance January 1, 2012	Increases	Decreases	Balance December 31, 2012
<u>Probate Court</u>				
ASSETS				
Cash	\$ 10,965	\$ 374,510	\$ (379,318)	\$ 6,157
Total assets	\$ 10,965	\$ 374,510	\$ (379,318)	\$ 6,157
LIABILITIES				
Due to others	\$ 10,965	\$ 374,510	\$ (379,318)	\$ 6,157
Total liabilities	\$ 10,965	\$ 374,510	\$ (379,318)	\$ 6,157
<u>Magistrate Court</u>				
ASSETS				
Cash	\$ 1,442	\$ 35,455	\$ (36,370)	\$ 527
Total assets	\$ 1,442	\$ 35,455	\$ (36,370)	\$ 527
LIABILITIES				
Due to others	\$ 1,442	\$ 35,455	\$ (36,370)	\$ 527
Total liabilities	\$ 1,442	\$ 35,455	\$ (36,370)	\$ 527
<u>Total Agency Funds</u>				
ASSETS				
Cash	\$ 690,263	\$ 27,318,113	\$ (27,287,320)	\$ 721,056
Taxes receivable	2,833,731	13,798,560	(14,069,849)	2,562,442
Accounts receivable	17,456	18,920	(17,456)	18,920
Total assets	\$ 3,541,450	\$ 41,135,593	\$ (41,374,625)	\$ 3,302,418
LIABILITIES				
Due to others	\$ 707,719	\$ 27,337,033	\$ (27,304,776)	\$ 739,976
Uncollected taxes	2,833,731	13,798,560	(14,069,849)	2,562,442
Total liabilities	\$ 3,541,450	\$ 41,135,593	\$ (41,374,625)	\$ 3,302,418

COMPONENT UNIT – HOSPITAL AUTHORITY

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CASH FLOWS COMPONENT UNIT - HOSPITAL AUTHORITY FOR THE YEAR ENDED DECEMBER 31, 2012

	Hospital Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	\$ (33,741)
Net cash used in operating activities	<u>(33,741)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>46,438</u>
Net cash provided by investing activities	<u>46,438</u>
Net increase in cash and cash equivalents	12,697
Cash and cash equivalents:	
Beginning of year	<u>302,899</u>
End of year	<u><u>\$ 315,596</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	<u>\$ (33,741)</u>
Net cash used in operating activities	<u><u>\$ (33,741)</u></u>
NON-CASH INVESTING ACTIVITIES	
Unrealized gain on investments	<u><u>\$ 28,754</u></u>

STATISTICAL SECTION

This part of Lumpkin County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends	<u>Page</u>
	84 - 90

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity.....	91 - 95
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These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.

Debt Capacity.....	96 - 99
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These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information.....	100 and 101
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information.....	102 - 104
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These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

LUMPKIN COUNTY, GEORGIA

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities										
Net investment in capital assets	\$ 59,032	\$ 56,295	\$ 55,355	\$ 52,684	\$ 49,322	\$ 49,013	\$ 45,080	\$ 42,989	\$ 40,372	\$ 39,257
Restricted	7,765	9,352	9,243	11,484	11,484	11,783	9,734	7,321	5,732	3,528
Unrestricted	6,853	7,226	6,744	5,583	5,627	3,489	5,757	4,947	5,508	7,697
Total governmental activities net position	\$ 73,650	\$ 72,873	\$ 71,342	\$ 69,751	\$ 66,433	\$ 64,285	\$ 60,571	\$ 55,257	\$ 51,612	\$ 50,482
Business-type activities										
Net investment in capital assets	\$ 694	\$ 709	\$ 735	\$ 762	\$ 798	\$ 834	\$ 870	\$ 849	\$ 548	\$ 544
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(457)	(492)	(506)	(407)	(419)	(440)	(430)	(321)	(446)	(464)
Total business-type activities net position	\$ 237	\$ 217	\$ 229	\$ 355	\$ 379	\$ 394	\$ 440	\$ 528	\$ 102	\$ 80
Primary government										
Net investment in capital assets	\$ 59,726	\$ 57,004	\$ 56,090	\$ 53,446	\$ 50,120	\$ 49,847	\$ 45,950	\$ 43,838	\$ 40,920	\$ 39,801
Restricted	7,765	9,352	9,243	11,484	11,484	11,783	9,734	7,321	5,732	3,528
Unrestricted	6,396	6,734	6,238	5,176	5,208	3,049	5,327	4,626	5,062	7,233
Total primary government net position	\$ 73,887	\$ 73,090	\$ 71,571	\$ 70,106	\$ 66,812	\$ 64,679	\$ 61,011	\$ 55,785	\$ 51,714	\$ 50,562

LUMPKIN COUNTY, GEORGIA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental activities:										
General government	\$ 3,714	\$ 3,144	\$ 3,210	\$ 2,843	\$ 3,437	\$ 2,742	\$ 2,589	\$ 2,276	\$ 2,297	\$ 1,921
Judicial system	2,375	2,673	2,585	2,403	2,476	2,409	2,097	2,139	1,789	1,679
Public safety	9,235	8,965	9,004	7,958	9,260	7,845	7,326	6,680	6,268	5,764
Public works	2,472	2,614	2,604	2,450	1,182	2,489	2,275	2,096	2,125	1,741
Health and welfare	589	595	613	654	1,045	556	451	480	463	401
Culture and recreation	955	1,014	1,334	1,336	1,450	1,413	1,343	1,225	1,243	1,106
Housing and development	426	421	424	458	705	629	923	481	521	550
Interest on long-term debt	863	917	998	750	1,064	819	883	730	791	803
Total governmental activities expenses	<u>20,629</u>	<u>20,343</u>	<u>20,772</u>	<u>18,852</u>	<u>20,619</u>	<u>18,902</u>	<u>17,887</u>	<u>16,107</u>	<u>15,497</u>	<u>13,965</u>
Business-type activities:										
Solid Waste	134	94	225	119	133	143	93	130	511	514
Total business-type activities expenses	<u>134</u>	<u>94</u>	<u>225</u>	<u>119</u>	<u>133</u>	<u>143</u>	<u>93</u>	<u>130</u>	<u>511</u>	<u>514</u>
Total primary government expenses	<u>\$ 20,763</u>	<u>\$ 20,437</u>	<u>\$ 20,997</u>	<u>\$ 18,971</u>	<u>\$ 20,752</u>	<u>\$ 19,045</u>	<u>\$ 17,980</u>	<u>\$ 16,237</u>	<u>\$ 16,008</u>	<u>\$ 14,479</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,072	\$ 1,018	\$ 1,177	\$ 895	\$ 1,278	\$ 1,242	\$ 869	\$ 691	\$ 514	\$ 660
Judicial system	619	675	771	682	726	603	764	536	(670)	930
Public safety	1,974	2,423	1,921	2,030	1,172	1,660	1,601	2,165	1,611	1,238
Public works	30	51	53	49	1	4	9	5	9	22
Health and welfare	58	42	52	2	20	27	15	14	12	11
Culture and recreation	-	22	216	262	318	283	366	278	306	254
Housing and development	109	77	96	120	240	59	580	521	395	299
Operating grants and contributions	1,287	1,555	1,567	1,276	1,541	885	738	1,001	438	506
Capital grants and contributions	583	17	54	202	194	1,800	2,451	1,788	1,337	400
Total governmental activities program revenues	<u>5,732</u>	<u>5,880</u>	<u>5,907</u>	<u>5,518</u>	<u>5,490</u>	<u>6,563</u>	<u>7,393</u>	<u>6,979</u>	<u>3,952</u>	<u>4,320</u>
Business-type activities:										
Charges for services:										
Solid waste	115	15	15	20	61	43	33	15	290	423
Operating grants and contributions	-	-	-	-	-	-	-	-	50	127
Capital grants and contributions	13	-	-	-	-	-	-	150	77	-
Total business-type activities program revenues	<u>128</u>	<u>15</u>	<u>15</u>	<u>20</u>	<u>61</u>	<u>43</u>	<u>33</u>	<u>165</u>	<u>417</u>	<u>550</u>
Total primary government program revenues	<u>\$ 5,860</u>	<u>\$ 5,895</u>	<u>\$ 5,922</u>	<u>\$ 5,538</u>	<u>\$ 5,551</u>	<u>\$ 6,606</u>	<u>\$ 7,426</u>	<u>\$ 7,144</u>	<u>\$ 4,369</u>	<u>\$ 4,870</u>
Net (expense)/revenue										
Governmental activities	\$ (14,897)	\$ (14,463)	\$ (14,865)	\$ (13,334)	\$ (15,129)	\$ (12,339)	\$ (10,494)	\$ (9,128)	\$ (11,545)	\$ (9,645)
Business-type activities	(6)	(79)	(210)	(99)	(72)	(100)	(60)	35	(94)	36
Total primary government net expense	<u>\$ (14,903)</u>	<u>\$ (14,542)</u>	<u>\$ (15,075)</u>	<u>\$ (13,433)</u>	<u>\$ (15,201)</u>	<u>\$ (12,439)</u>	<u>\$ (10,554)</u>	<u>\$ (9,093)</u>	<u>\$ (11,639)</u>	<u>\$ (9,609)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 8,818	\$ 9,047	\$ 9,850	\$ 9,841	\$ 9,708	\$ 7,976	\$ 7,251	\$ 6,005	\$ 5,859	\$ 5,726
Sales taxes	5,471	5,358	5,195	5,324	5,777	6,276	6,105	5,127	5,060	4,578
Insurance premium taxes	1,105	1,034	828	852	864	844	802	765	717	662
Other taxes	188	227	219	185	223	204	691	570	574	545
Unrestricted investment earnings	318	394	448	511	732	749	569	378	241	250
Unrestricted grants and contributions	-	-	-	-	-	-	331	292	284	272
Gain on sale of capital assets	-	-	-	14	30	-	32	-	42	(89)
Transfers	(26)	(66)	(84)	(76)	(57)	(54)	27	(364)	(102)	52
Total governmental activities	<u>15,874</u>	<u>15,994</u>	<u>16,456</u>	<u>16,651</u>	<u>17,277</u>	<u>15,995</u>	<u>15,808</u>	<u>12,773</u>	<u>12,675</u>	<u>11,996</u>
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	-	-	-	-	-	-	-	27	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	14	-
Transfers	26	66	84	75	57	54	(27)	364	102	(52)
Total business-type activities	<u>26</u>	<u>66</u>	<u>84</u>	<u>75</u>	<u>57</u>	<u>54</u>	<u>(27)</u>	<u>391</u>	<u>116</u>	<u>(52)</u>
Total primary government	<u>\$ 15,900</u>	<u>\$ 16,060</u>	<u>\$ 16,540</u>	<u>\$ 16,726</u>	<u>\$ 17,334</u>	<u>\$ 16,049</u>	<u>\$ 15,781</u>	<u>\$ 13,164</u>	<u>\$ 12,791</u>	<u>\$ 11,944</u>
Change in Net Position										
Governmental activities	\$ 977	\$ 1,531	\$ 1,591	\$ 3,317	\$ 2,148	\$ 3,656	\$ 5,314	\$ 3,645	\$ 1,130	\$ 2,351
Business-type activities	20	(13)	(126)	(24)	(15)	(46)	(87)	426	22	(16)
Total primary government	<u>\$ 997</u>	<u>\$ 1,518</u>	<u>\$ 1,465</u>	<u>\$ 3,293</u>	<u>\$ 2,133</u>	<u>\$ 3,610</u>	<u>\$ 5,227</u>	<u>\$ 4,071</u>	<u>\$ 1,152</u>	<u>\$ 2,335</u>

LUMPKIN COUNTY, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2012</u>	<u>2011</u> (2)	<u>2010</u>	<u>2009</u>	<u>2008</u>
General fund					
Reserved	\$ -	\$ -	\$ 449	\$ 296	\$ 329
Unreserved	-	-	5,439	4,993	3,550
Nonspendable:					
Prepaid items	265	255	-	-	-
Inventory	117	86	-	-	-
Unassigned	6,464	6,516	-	-	-
Total general fund	<u>\$ 6,846</u>	<u>\$ 6,857</u>	<u>\$ 5,888</u>	<u>\$ 5,289</u>	<u>\$ 3,879</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ 9,297	\$ 10,404	\$ 11,529
Unreserved, reported in:					
Special revenue funds	-	-	512	314	351
Capital projects funds (1)	-	-	(320)	524	8,420
Nonspendable:					
Prepaid items	41	35	-	-	-
Restricted for:					
Debt service	6,837	8,073	-	-	-
Capital projects	432	549	-	-	-
Public safety activities	115	290	-	-	-
Law library operations	114	134	-	-	-
Judicial activities	180	165	-	-	-
Tourism	8	6	-	-	-
Unassigned	(204)	(128)	-	-	-
Total all other governmental funds	<u>\$ 7,523</u>	<u>\$ 9,124</u>	<u>\$ 9,489</u>	<u>\$ 11,242</u>	<u>\$ 20,300</u>

(1) The decrease in 2007 is primarily due to expenditures on capital projects that will be funded by the new SPLOST. The increase in 2008 is due to the issuance of certificates of participation that are to be used for capital projects. The decrease in 2010 is primarily due to expenditures on capital projects that will be funded by future SPLOST revenues.

(2) The County implemented GASB Statement 54 in fiscal year 2011.

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	463	\$ 493	\$ 433	\$ 296	\$ 303
	3,796	4,834	3,549	4,431	4,407
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
\$	<u>4,259</u>	<u>5,327</u>	<u>3,982</u>	<u>4,727</u>	<u>4,710</u>
\$	11,830	\$ 9,320	\$ 7,006	\$ 5,451	\$ 3,528
	468	454	369	271	232
	(1,107)	122	405	397	774
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
\$	<u>11,191</u>	<u>9,896</u>	<u>7,780</u>	<u>6,119</u>	<u>4,534</u>

LUMPKIN COUNTY, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues					
Taxes	\$ 15,655	\$ 15,557	\$ 16,292	\$ 15,718	\$ 15,908
Licenses and permits	131	112	131	147	215
Fines and forfeitures	577	608	660	606	616
Charges for services	3,026	3,489	3,312	3,146	2,753
Interest income	321	397	456	511	732
Intergovernmental	1,587	1,635	1,665	1,256	1,461
Contributions and donations	85	69	111	222	229
Miscellaneous	118	90	183	142	171
Total revenues	<u>21,500</u>	<u>21,957</u>	<u>22,811</u>	<u>21,748</u>	<u>22,085</u>
Expenditures					
General government	3,175	2,958	3,029	2,637	3,232
Judicial	2,374	2,252	2,585	2,386	2,470
Public safety	8,844	9,013	8,611	7,498	8,229
Public works	1,128	1,194	1,056	1,092	1,331
Health and welfare	554	565	600	643	641
Culture and recreation	760	826	1,138	1,144	1,309
Housing and development	429	409	420	440	696
Intergovernmental	467	574	504	517	-
Capital outlay (1)	2,994	1,115	3,481	10,596	2,672
Debt service					
Principal	1,502	1,440	1,434	1,306	1,378
Interest	856	942	1,022	1,100	1,022
Other charges	-	-	-	-	270
Total expenditures	<u>23,083</u>	<u>21,288</u>	<u>23,881</u>	<u>29,359</u>	<u>23,250</u>
Excess (deficiency) of revenues over (under) expenditures	(1,583)	669	(1,070)	(7,611)	(1,165)
Other financing sources (uses)					
Transfers in	966	898	1,087	829	1,326
Transfers out	(992)	(964)	(1,171)	(904)	(1,383)
Issuance of debt	-	-	-	-	10,000
Discount on issuance of debt	-	-	-	-	(99)
Sale of capital assets	-	-	-	39	49
Total other financing sources (uses)	<u>(26)</u>	<u>(66)</u>	<u>(84)</u>	<u>(36)</u>	<u>9,893</u>
Net change in fund balances	<u>\$ (1,609)</u>	<u>\$ 603</u>	<u>\$ (1,154)</u>	<u>\$ (7,647)</u>	<u>\$ 8,728</u>
Debt service as a percentage					
of noncapital expenditures	11.8%	12.1%	12.0%	13.2%	13.1%
Total debt service expenditures	2,358	2,382	2,456	2,406	2,670
Total non-capital expenditures	19,997	19,638	20,401	18,253	20,399

(1) Capital outlay varies from year to year depending on the capital projects being conducted by the County at a particular time.

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	15,773	\$ 14,928	\$ 12,516	\$ 12,108	\$ 11,526
	345	475	431	320	252
	513	660	500	710	649
	2,797	3,206	3,147	2,860	2,482
	749	569	378	241	250
	1,136	1,558	1,295	1,450	988
	129	229	100	46	26
	224	61	9	3	48
	<u>21,666</u>	<u>21,686</u>	<u>18,376</u>	<u>17,738</u>	<u>16,221</u>
	2,546	2,325	2,162	1,894	1,797
	2,400	1,823	1,864	1,779	1,668
	7,504	6,912	6,285	5,918	5,399
	1,285	1,017	1,148	1,268	889
	534	435	459	441	382
	1,297	1,228	1,123	1,158	1,032
	608	906	462	499	528
	-	48	79	-	-
	3,578	1,957	1,915	2,177	2,517
	1,021	901	863	382	939
	860	999	752	797	821
	-	-	-	-	-
	<u>21,633</u>	<u>18,551</u>	<u>17,112</u>	<u>16,313</u>	<u>15,972</u>
	33	3,135	1,264	1,425	249
	2,812	1,586	1,985	1,567	5,008
	(2,867)	(1,559)	(2,349)	(1,669)	(4,956)
	90	254	16	238	325
	-	-	-	-	-
	-	45	-	41	29
	<u>35</u>	<u>326</u>	<u>(348)</u>	<u>177</u>	<u>406</u>
\$	<u>68</u>	<u>\$ 3,461</u>	<u>\$ 916</u>	<u>\$ 1,602</u>	<u>\$ 655</u>
	10.4%	11.4%	10.6%	8.3%	13.1%
	1,881	1,900	1,615	1,179	1,760
	18,055	16,594	15,197	14,136	13,455

LUMPKIN COUNTY, GEORGIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Insurance Premium Tax	Real Estate & Recording Tax	Alcoholic Beverage Tax	Other Taxes	Total
2003	\$ 5,681	\$ 4,578	\$ 662	\$ 356	\$ 87	\$ 162	\$ 11,526
2004	5,757	5,060	717	326	95	153	12,108
2005	6,054	5,127	765	323	113	134	12,516
2006	7,330	6,105	802	365	152	174	14,928
2007	8,449	6,276	844	-	162	43	15,773
2008	9,044	5,777	864	-	165	58	15,908
2009	9,357	5,324	852	-	159	26	15,718
2010	10,070	5,175	828	-	149	70	16,292
2011	8,927	5,370	1,034	-	152	74	15,557
2012	8,891	5,471	1,105	-	148	40	15,655

Note: Other taxes include business & occupation and franchise taxes.

LUMPKIN COUNTY, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE - ALL TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	Real Property				Personal Property			
		Residential	Commercial	Agricultural	Public Utilities	Motor Vehicles	Mobile Homes	Equipment	Other (1)
2004	2003	\$ 350,210,951	\$ 90,440,227	\$ 340,521,525	\$ 18,168,976	\$ 60,684,780	\$ 17,771,901	\$ 41,873,900	\$ 364,564
2005	2004	380,502,691	91,404,475	341,344,010	19,223,476	58,705,170	15,148,984	41,696,433	267,607
2006	2005	421,998,678	110,055,207	341,215,830	20,006,951	60,957,260	14,576,647	43,822,195	703,204
2007	2006	474,080,110	120,224,834	337,166,386	21,026,349	59,890,060	11,341,763	44,433,206	268,079
2008	2007	651,531,386	146,096,729	533,335,219	22,070,588	52,606,340	10,774,781	50,235,688	603,959
2009	2008 (2)	713,461,603	149,641,216	524,516,235	21,881,226	69,567,910	10,111,154	52,266,978	699,332
2010	2009	730,417,434	172,847,299	526,452,545	22,160,994	73,698,120	10,387,091	25,650,315 (3)	215,455
2011	2010	733,853,262	163,008,355	527,557,546	21,633,639	64,059,070	9,842,509	23,508,772	126,609
2012	2011	674,182,867	154,868,006	396,482,139	22,117,043	62,934,700	7,673,414	25,035,446	32,936
2013	2012	577,710,655	146,825,500	342,372,210	21,836,730	65,738,040	6,874,280	21,184,034	94,477

Source: Georgia Department of Revenue, Property Tax Division

Note: Property in the County is assessed annually. The County assesses property at approximately 40 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

- (1) Includes timber and heavy equipment.
- (2) There was a property revaluation in 2007 that substantially increased real property values.
- (3) Decrease is due to new exemptions giving \$100,000 off assessed values or \$250,000 off fair market values, as well as lost large manufacturing companies within the County.
- (4) Increase is due to the addition of the exemption for the elderly (65 and older) and disabled.

Less: Exemptions		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
Real	Personal				
\$ 119,884,220	\$ 4,129,275	\$ 796,023,329	7.308	\$ 1,990,058,323	40.00%
125,057,626	4,975,697	818,259,523	7.277	2,045,648,808	40.00%
130,276,501	5,080,217	877,979,254	8.052	2,194,948,135	40.00%
135,628,116	4,824,375	927,978,296	8.346	2,319,945,740	40.00%
250,849,126	5,350,388	1,211,055,176	6.912	3,027,637,940	40.00%
263,318,330	6,240,595	1,272,586,729	6.893	3,181,466,823	40.00%
275,738,365	96,194,591 (4)	1,189,896,297	6.947	2,974,740,743	40.00%
289,980,685	108,375,389	1,145,233,688	7.318	2,863,084,220	40.00%
215,892,161	113,055,175	1,014,379,215	7.852	2,535,948,038	40.00%
184,407,536	113,687,442	884,540,948	8.962	2,211,352,370	40.00%

LUMPKIN COUNTY, GEORGIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(Per \$1,000 of Assessed Value)
LAST TEN FISCAL YEARS

Tax Year	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Lumpkin County rates										
Unincorporated	8.962	7.852	7.318	6.947	6.893	6.912	8.346	8.052	7.277	7.308
Incorporated	10.436	8.881	7.907	7.842	7.707	7.724	9.385	9.068	8.275	8.275
Special services (reservoir)	0.289	0.253	0.220	0.191	0.178	0.187	0.226	0.411	-	-
Special services (planning)	0.184	0.161	0.098	0.409	-	-	-	-	-	-
Municipal rates										
Dahlonega	4.656	4.212	3.988	3.950	3.950	3.959	4.370	3.620	2.867	2.900
Board of Education										
Maintenance & Operations	16.239	14.259	12.800	12.800	11.840	11.860	14.190	14.190	14.250	13.250
State of Georgia	0.200	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Total Unincorporated	25.875	22.775	20.686	20.597	19.161	19.209	23.012	22.903	21.777	20.808
Total Incorporated	31.531	27.602	24.945	24.842	23.747	23.793	28.195	27.128	25.642	24.675

Source: Georgia Department of Revenue, Property Tax Division

LUMPKIN COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT AND NINE YEARS AGO

Taxpayer	2012			2003		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Forestar (USA) Real Estate Group INC	\$ 9,025,723	1	1.02 %	\$		%
KOYO Bearings USA LLC	6,506,300	2	0.74			
Georgia Power Company	6,451,304	3	0.73	2,887,013	9	0.36
Dunn Betty L Trustee	5,690,576	4	0.64			
Windstream Standard INC	5,433,928	5	0.61			
Amicalola EMC	4,565,338	6	0.52	3,726,788	4	0.47
HD Development of Maryland INC	4,360,799	7	0.49			
Birch River Chestatee Company LLC	3,934,195	8	0.44			
Dahlonaga Group LLC	3,445,030	9	0.39			
Wal-Mart Stores East LP	2,925,322	10	0.33	3,634,760	5	0.46
Inland Container Corp				8,522,652	1	1.07
Torrington Company				7,958,928	3	1.00
Standard Telephone Co				8,094,905	2	1.02
Sherman Green, Roberta				3,496,257	6	0.44
R-Ranch in the Mountains				3,249,052	7	0.41
Edna Noblin Estate				3,025,378	8	0.38
Sherman Green				2,540,484	10	0.32
	<u>\$ 52,338,515</u>		<u>5.92 %</u>	<u>\$ 47,136,217</u>		<u>5.92 %</u>

Source: Lumpkin County Tax Commissioner

LUMPKIN COUNTY, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Total Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
			<u>Amount</u>	<u>Pct. of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2004	2003	\$ 5,811	\$ 4,718	81.19 %	\$ 1,092	\$ 5,810	99.98 %
2005	2004	6,149	4,976	80.92	1,172	6,148	99.98
2006	2005	7,270	5,988	82.37	1,268	7,256	99.81
2007	2006	7,762	6,615	85.22	1,122	7,737	99.68
2008	2007	7,722	2,719	35.21	4,977	7,696	99.66
2009	2008	8,148	6,268	76.93	1,801	8,069	99.03
2010	2009	7,966	6,400	80.34	1,438	7,838	98.39
2011	2010	7,682	6,435	83.77	1,030	7,465	97.18
2012	2011	7,674	6,600	86.00	195	6,795	88.55
2013	2012	7,527	6,997	92.96	-	6,997	92.96

LUMPKIN COUNTY, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Capital Leases	Certificates of Participation	Notes Payable			
2003	\$ 238	\$ -	\$ 19,599	\$ 19,837	3.89 %	\$ 847
2004	172	-	19,522	19,694	3.65	849
2005	93	-	18,743	18,836	3.11	774
2006	32	-	18,157	18,189	2.68	714
2007	-	-	17,357	17,357	2.55	654
2008	-	9,630	16,254	25,884	3.56	957
2009	-	9,503	15,083	24,586	3.22	893
2010	-	9,375	13,784	23,159	2.98	773
2011	-	9,242	12,484	21,726	2.71	723
2012	-	9,104	11,127	20,231	2.44	661

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics within this section for personal income and population data.

LUMPKIN COUNTY, GEORGIA
RATIOS OF GENERAL OBLIGATION DEBT OUTSTANDING
LAST TEN YEARS
(amounts expressed in thousands)

Fiscal Year	General Obligation Debt	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2003	\$ 12,770	\$ 3,528	\$ 9,242	0.46 %	\$ 395
2004	12,455	5,451	7,004	0.34	302
2005	11,660	7,006	4,654	0.21	191
2006	10,820	9,320	1,500	0.06	59
2007	9,920	9,920	-	-	-
2008	8,965	8,965	-	-	-
2009	7,945	7,945	-	-	-
2010	6,855	6,855	-	-	-
2011	5,695	5,695	-	-	-
2012	4,460	4,460	-	-	-

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

LUMPKIN COUNTY, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt limit	\$ 106,895	\$ 123,027	\$ 143,522	\$ 146,563
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 106,895</u>	<u>\$ 123,027</u>	<u>\$ 143,522</u>	<u>\$ 146,563</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 884,541
Add back: exempt real property	184,408
Total assessed value	<u>1,068,948</u>
Debt limit (10% of total assessed value)	106,895
Debt applicable to limit:	
General obligation debt	4,460
Less: Amount set aside for repayment of general obligation debt	<u>(4,460)</u>
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 106,895</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 153,591	\$ 146,190	\$ 106,361	\$ 100,826	\$ 94,332	\$ 91,591
-	-	1,500	4,654	7,004	9,242
<u>\$ 153,591</u>	<u>\$ 146,190</u>	<u>\$ 104,861</u>	<u>\$ 96,172</u>	<u>\$ 87,328</u>	<u>\$ 82,349</u>
0%	0%	1%	5%	7%	10%

LUMPKIN COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2003	23,412	\$ 510,499	\$ 21,805	N/A	3,497	2.5 %
2004	23,185	540,164	23,298	N/A	3,520	3.5
2005	24,324	606,370	24,929	N/A	3,675	4.5
2006	25,462	679,170	26,674	N/A	3,721	4.1
2007	26,554	679,543	25,591	N/A	3,344	4.2
2008	27,056	727,084	26,873	32.5	3,732	11.1
2009	27,528	763,163	27,723	35.0	3,776	11.3
2010	29,966	776,536	25,914	34.8	3,836	10.8
2011	30,031	801,577	26,692	35.0	3,879	8.8
2012	30,611	828,043	27,051	36.0	4,248	9.1

Data sources:

- (1) Bureau of the Census
- (2) Federal Bureau of Economic Analysis (amounts expressed in thousands)
- (3) School District
- (4) State Department of Labor

LUMPKIN COUNTY, GEORGIA

PRINCIPAL EMPLOYERS CURRENT AND SIX YEARS AGO

Employer	2012			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
University of North Georgia	699	1	5.90 %	697	1	11.06 %
Lumpkin Co. Board of Education	612	2	5.17	615	2	9.76
Lumpkin Co. Board of Commissioners	283	3	2.39	286	4	4.54
Wal-Mart	265	4	2.24	265	5	4.21
KOYO	243	5	2.05			
Chestatee Regional Hospital	220	6	1.86	223	7	3.54
Southern Switches	135	7	1.14			
RefrigiWear, Inc.	112	8	0.95	110	8	1.75
The Home Depot	100	9	0.84	92	9	1.46
The Louver Shop	100	10	0.84			
Mohawk Industries				350	3	5.56
Timken US Corporation				251	6	3.98
Hidden Lake Academy				83	10	1.32
	<u>2,769</u>		<u>23.38 %</u>	<u>2,972</u>		<u>47.18 %</u>

Sources: State Department of Commerce.

Note: Information prior to 2006 is not available.

LUMPKIN COUNTY, GEORGIA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION LAST NINE FISCAL YEARS

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government	36	31	32	50	45	57	60	55	49
Public safety								95	90
Sheriff									
Officers	62	80	84	72	72	68	65	-	-
Civilians	10	20	8	8	8	8	8	-	-
Emergency	2	2	2	2	2	-	2	-	-
Fire									
Firefighters and officers	36	30	34	31	26	22	2	-	-
Civilians	1	11	1	13	11	14	19	-	-
Judicial	21	15	24	26	20	20	18	19	20
Public works	19	23	17	15	22	22	15	18	22
Culture and recreation	4	5	9	6	11	17	19	13	13
Housing and development	-	-	1	1	1	1	1	1	1
Total	191	217	212	224	218	229	209	201	195

Source: County Budget Office

Information for 2003 is not available.

LUMPKIN COUNTY, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Function										
Sheriff										
Traffic violations	2,534	2,857	3,458	4,072 (2)	N/A	2,992	2,111	2,169	2,245	2,175
Fire										
Number of calls answered	4,055	3,800	3,269	3,244	3,426	3,344	3,141	1,893	1,645	1,488
Inspections conducted	30*	12*	N/A	377	637	1,004 (1)	369	215	96	67
Highways and streets										
Street resurfacing (miles)	15	10	13	6	6	11	23	5	36	13
Sanitation										
Refuse collected (tons/day)	47	42	43	46	45	33	34	26	22	N/A
Recyclables collected (tons/day)	1.5	1	1	N/A	2	1	1	-	N/A	N/A

Source: County departments

Note: Indicators are not available for any functions other than those listed above.

N/A - Information is not available.

(1) - The County established a new inspection program in 2007 resulting in an increase in the number of inspections conducted.

(2) - The newly elected Sheriff and his staff have made motor vehicle safety a top priority which has resulted in more citations written.

*Prevention provision- full fledged inspections (Late April-Dec. 31st)

LUMPKIN COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government										
Buildings	16	13	13	13	13	13	13	11	11	11
Vehicles	5	5	5	5	5	5	5	4	3	3
Small equipment	26	25	25	25	25	24	20	21	21	19
Public safety										
Buildings	7	7	7	7	7	6	5	5	5	5
Vehicles										
Fire/pumper trucks	14	13	13	13	13	13	13	13	12	10
Other Fire Dept. vehicles	6	6	6	6	6	5	5	4	3	3
Ambulance/rescue	6	5	4	6	5	5	4	6	6	6
Sheriffs vehicles	48	53	51	46	46	39	35	32	25	20
Other public safety vehicles	4	3	3	3	3	3	3	2	2	1
Equipment	81	79	78	78	69	49	41	40	38	32
Judicial										
Small equipment	6	6	6	6	6	6	6	15	15	15
Public works										
Buildings	3	3	3	3	3	3	3	2	2	2
Vehicles										
Road Department	11	11	10	11	11	15	20	24	24	24
Building Inspector	6	6	6	6	6	6	6	5	5	5
Other	3	3	3	3	3	3	2	2	1	1
Small equipment	5	5	5	5	5	1	1	-	-	-
Heavy equipment	34	35	34	33	35	35	35	30	29	28
Health and welfare										
Buildings	3	3	3	2	2	2	2	2	2	2
Culture and recreation										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	3	4	4	4	5	5	5	4	4	4
Equipment	13	13	13	13	11	10	10	10	8	7

Source: Various County departments

COMPLIANCE SECTION



**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**

**Board of Commissioners
of Lumpkin County, Georgia
Dahlonega, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lumpkin County, Georgia (the "County") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 2, 2013. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our report also includes a reference to other auditors who audited the financial statements of the Lumpkin County Department of Public Health and the Development Authority of Lumpkin County, as described in our report on the County'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 the County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 were not 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.

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, as items 2012-1 through 2012-3, to be material weaknesses.

Compliance and Other Matters

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

Lumpkin County, Georgia's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result of that testing, and not to provide an opinion on the effectiveness of the County'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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 2, 2013



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

**Board of Commissioners
of Lumpkin County, Georgia
Dahlonega, Georgia**

Report on Compliance for Each Major Federal Program

We have audited Lumpkin County, Georgia's (the "County's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lumpkin County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lumpkin County, Georgia's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2012-4, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 2, 2013

LUMPKIN COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF JUSTICE			
Direct award:			
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	2009-SU-B9-1310	\$ 1,874
Passed through Criminal Justice Coordinating Council:			
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-228	<u>70,269</u>
			<u>72,143</u>
Purchase of Services - Juvenile Offenders Program	16.523	2012-SOG-AC-001	<u>9,375</u>
Passed through Criminal Justice Coordinating Council:			
Victim's Assistance Program (C10-8-218)	16.575	2010-VA-GX-0073	28,009
Victim's Assistance Program (C11-8-080)	16.575	2011-VA-GX-0010	40,901
Victim's Assistance Program (C12-8-084)	16.575	2012-VA-GX-0035	9,329
Victim's Assistance Program (C12-8-085)	16.575	2012-VA-GX-0035	<u>12,843</u>
			<u>91,082</u>
Violence Against Women Grant (W11-8-039)	16.588	2011-WF-AX-0007	<u>36,439</u>
			<u>36,439</u>
Passed through Bureau of Justice Assistance:			
Bulletproof Vest Partnership	16.607	V11109093	<u>3,731</u>
Passed through Council of Juvenile Court Judges:			
Purchase of Services - Juvenile Offenders Program	16.523	JB-09ST-0004	<u>6,980</u>
Total U.S. Department of Justice			<u>219,750</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Assistance to Firefighters Grant	97.044	EMW-2008-FF-01031	<u>146,627</u>
Emergency Management Performance Grant	97.042	OEM10-095E02	<u>10,603</u>
Total U.S. Department of Homeland Security			<u>157,230</u>

(continued)

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Georgia Department of Community Affairs			
Community Development Block Grant	14.228	10p-y-093-1-5232	283,103
Total U.S. Department of Housing and Urban Development			283,103
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Georgia Department of Transportation			
Section 5311 Rural Public Transportation	20.509	2011-021-A-S	27,464
Section 5311 Rural Public Transportation	20.509	2012-084-A-S	33,888
Total U.S. Department of Transportation			61,352
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Legacy Link, Inc:			
Special Programs for the Aging: Title III, Part B	93.044	42700-373-000008253	13,407
Special Programs for the Aging: Title III, Part C	93.045	42700-373-000008253	27,094
Special Programs for the Aging: Title III, Part C	93.045	42700-373-000008253	7,458
			47,959
Total U.S. Department of Health and Human Services			47,959
Total Expenditures of Federal Awards			\$ 769,394

See accompanying note to schedule of expenditures of federal awards.

LUMPKIN COUNTY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2012

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lumpkin County, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? yes no

Significant deficiencies identified not considered
to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major programs:
Material weaknesses identified? yes no

Significant deficiencies identified not considered
to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for
major programs Unmodified

Any audit findings disclosed that are required to
be reported in accordance with OMB Circular
A-133, Section 510(a)? yes no

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant
97.044	Assistance to Firefighters Grant

Dollar threshold used to distinguish between
Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2012

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2012 – 1 Revenues and Related Balance Sheet Accounts

Criteria: Internal controls should be in place to ensure that the amounts reported as revenues and the related balance sheet accounts are appropriate and properly valued.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the County's revenues and related balance sheet accounts.

Context/Cause: During our testing, certain audit adjustments were required to correct current year revenues and related assets and liabilities. The nature of these adjustments is as follows:

- In the General Fund, Planning Fund and Debt Service Fund, audit adjustments of approximately \$7,578,000, \$14,000 and \$17,000, respectively, were required to properly report property tax revenues and related balance sheet accounts in accordance with the modified accrual basis of accounting and the County's revenue recognition policy. These adjustments were required to properly report amounts due from the Lumpkin County Tax Commissioner as well as to properly report deferred inflows of resources – unearned property tax revenues related to collections made prior to December 31, 2012 which pertain to the County's fiscal year beginning on January 1, 2013.
- In the Multiple Grants Fund and CDBG Fund, audit adjustments of approximately \$52,000 and \$12,000, respectively, were required to properly report intergovernmental revenues and related balance sheet accounts in accordance with the modified accrual basis of accounting and the County's revenue recognition policy. These adjustments were made to defer grant revenues which were not collected within 90 days as is the County's policy as well as to record accounts receivable for grant expenditures incurred prior to December 31, 2012.

Effects: Audit adjustments totaling approximately \$7,673,000 were needed to correctly report revenues and related balance sheet accounts.

Recommendation: We recommend the County carefully review all revenues and related balance sheet accounts to ensure they are reported in the proper reporting period, properly valued, and in accordance with generally accepted accounting principles.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that revenues and the related receivables are properly recorded.

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2012

SECTION II

FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (Continued)

2012 – 2 Expenditures and Related Liabilities

Criteria: Internal controls should be in place to ensure that expenditures and related liabilities are recognized as incurred, regardless of the timing of cash flows, in accordance with generally accepted accounting principles (GAAP).

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the County's expenditures and related liabilities.

Context/Cause: During our testing, an audit adjustment was required to correct current year expenditures and the related liabilities. In the General Fund, payroll expenditures and the related accrued payroll liabilities were understated due to the improper omission of a payroll period incurred before but paid after December 31, 2012. An audit adjustment totaling approximately \$332,000 was required to properly report payroll expenditures and the related accrued payroll liabilities as of year-end.

Effects: An audit adjustment totaling approximately \$332,000 was needed to correctly report expenditures and the related liabilities of the County's funds as of December 31, 2012.

Recommendation: We recommend that the County carefully review payroll expenditures and the related liability accounts to ensure all transactions are properly reported in accordance with GAAP.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that all expenditures and related liabilities are reported in accordance with GAAP.

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2012

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (Continued)

2012 – 3 Restatement of Prior Year Balances (Lumpkin County Water & Sewerage Authority)

Criteria: Internal controls should be in place to ensure that financial statements are properly presenting the financial position and results of the Authority.

Condition: Internal controls were not sufficient to detect a material misstatement in the County's financial statements for the year ended December 31, 2011.

Context/Cause: During our testing, an audit adjustment of \$122,400 to opening net position of the Authority was required to properly record intergovernmental revenue for principal forgiven on long-term notes payable balances. The Authority's note payable to the Georgia Environmental Finance Authority (GEFA) included a principal forgiveness clause up to 30% of the face value of the note or \$122,400. The principal forgiveness should have been recorded as the project progressed and draws were made from GEFA. As the Authority completed substantially all of the construction related to this project as of December 31, 2011, the principal forgiveness should have been recorded as intergovernmental revenue in the prior period.

Effects: An audit adjustment of \$122,400 was required to properly report beginning net position of the Authority for the year ended December 31, 2012.

Recommendation: We recommend the Authority carefully review all long-term debt agreements to ensure that all agreement terms are properly recorded in the general ledger.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that all long-term debt agreements are properly recorded in the general ledger.

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2012

SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2012 – 4 Cash Management, Matching, and Reporting

Program: U.S. Department of Homeland Security (97.044)

CFDA Program Title: Assistance to Firefighters Grant

Grant Number: EMW-2008-FF-01031

Criteria: When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government. When funds are advanced, recipients must follow procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement.

When Federal programs include a cost sharing or matching requirement, the entity is required to provide contributions of a specified amount or percentage to match Federal awards. In addition, entities should have proper internal controls in place to ensure compliance with the requirements of Federal grants.

Condition: During our testing of reimbursements requested for the purposes of this grant, we noted that the County did not have certain internal controls in place to ensure compliance with the cash management, matching, and reporting requirements of this Federal program.

Context/Cause: The reimbursement requests submitted to the Department of Homeland Security were not being approved before submission.

Questioned Costs: None

Effects: While the results of our testing disclosed no instances of noncompliance with the requirements of the Federal program, the lack of internal controls could potentially result in noncompliance.

Recommendation: We recommend the County ensure that all reimbursement requests are approved by designated County personnel prior to submission to the Federal Government.

Auditee's Response: We concur with the finding. The County will initiate a process to ensure that all reimbursement requests are properly approved prior to submission to the Federal Government.

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012

None reported.