

LUMPKIN COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2015

Prepared By:
The Lumpkin County Office of Financial Administration

INTRODUCTORY SECTION

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2015

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June 10, 2016

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, 2015.

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, 2015, 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, 2015, 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 29% over the past ten years with a current 2015 census population estimate of 31,408.

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 the University of North Georgia'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 2015, Lumpkin County was awarded nine grants for personnel, renovations and equipment totaling \$446,124 and a grant from ACCG for a wellness program for employees.

Other accomplishments during the year include:

- ❑ Resurfacing approximately 28 lane miles of County roads, using a combination of Federal, State, and local money.
- ❑ Resurfaced airport runway.
- ❑ Opened Fire Station 10 – Wimpy Airport.
- ❑ Purchased new equipment for Road Department.
- ❑ Installed new lighting on Field 5 and resurfaced roads and parking lots in Yahoola Creek Park.
- ❑ Completed road widening and entrance improvements to Blackburn School.
- ❑ Resurfaced pool deck and equipped the pool with an ADA accessible life.
- ❑ Completed “Active Shooter Training” for employees and added additional emergency exits to Administration Facility.
- ❑ A survey of all County facilities for ADA compliance was completed by Meeting the Challenge per our US DOJ settlement agreement.

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

Chris Dockery
Doug Sherrill
Steve Shaw
Rhett Stringer
Bob Pullen

Chairman
District 1
District 2
District 3
District 4

Stanley J. Kelley
Kathleen Walker

County Manager
County Clerk

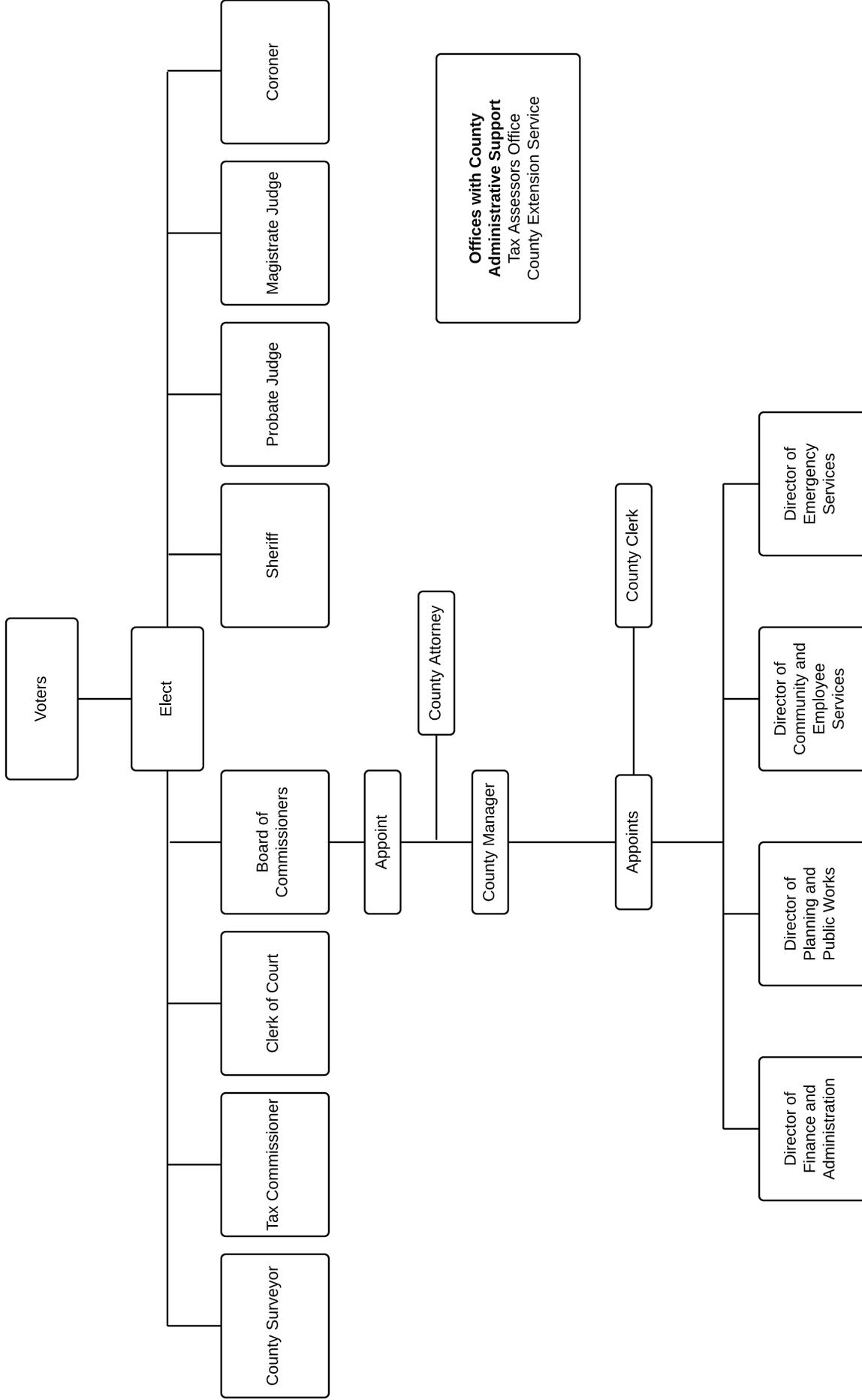
DEPARTMENT DIRECTORS

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

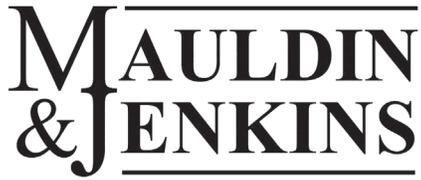
JUDICIAL & OTHER ELECTED OFFICIALS

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
Jeremy Clough	Juvenile Court Judge
Rachel Pruitt	Tax Commissioner
Stacy Jarrard	Sheriff
Ronald Fortner	Coroner
John Gaston	County Surveyor

Organizational Chart - County-wide



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, 2015, 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 40 percent, 16 percent, and 56 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.

Auditor's Responsibility (continued)

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, 2015, 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 9 and 15, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of January 1, 2015. These standards significantly changed the accounting for the County's net pension liability and the related disclosures. 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), the budgetary comparison information (on pages 71 and 72), the schedule of changes in the County's net pension liability and related ratios (on page 73), the schedule of County contributions (on page 74), the schedule of proportionate share of the net pension liability – component unit (page 75), and the schedule of employer's pension contributions – component unit (page 76) 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 and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are 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.

Other Information (continued)

The combining and individual fund financial statements and schedules 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2016, 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 10, 2016

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, 2015. 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, 2015.

Financial Highlights

- ❑ Lumpkin County's governmental activities exceeded its liabilities at December 31, 2015 by \$76.6 million (*net position*). Of this amount, \$5.8 million (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ❑ As of December 31, 2015, the governmental funds of Lumpkin County reported combined ending fund balances of \$12.5 million, a decrease of \$0.6 million in comparison with the prior year. Approximately 42.50% of this amount, \$5.3 million, is *available for spending* at the government's discretion (*unassigned fund balance*).
- ❑ At the end of 2015, unassigned fund balance for the general fund was \$5.3 million, or 32.38% 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 2015, the Debt Service Fund had accumulated \$3.6 million toward the goal of retiring the 2001 issue.
- ❑ During 2015, Lumpkin County made principal and interest payments totaling \$0.6 million on the Public Building Authority Issue, Series 2001. These payments reduced the outstanding principal to \$1.19 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, deferred outflows of resources, liabilities, and deferred inflows of resources. 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, deferred outflows of resources, liabilities, and deferred inflows of resources, 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, 2015, the County's net position was \$76.6 million, which is an increase of approximately \$1.8 million from the prior year after restatements. Table B on the following page provides a summary of the County's Governmental and Business-type net positions for 2015 and 2014.

TABLE B

LUMPKIN COUNTY, GEORGIA'S NET POSITION
December 31, 2015 and 2014
(\$ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2015	2014	2015	2014	2015	2014
CURRENT AND OTHER ASSETS*	\$23,855	\$24,398	\$5	\$5	\$23,860	\$24,403
CAPITAL ASSETS (net of depreciation)	79,890	78,589	625	648	80,515	79,237
TOTAL ASSETS	103,745	102,987	630	653	104,375	103,640
LONG-TERM LIABILITIES	17,163	18,447	398	418	17,561	18,865
OTHER LIABILITIES*	9,950	9,710	7	3	9,957	9,713
TOTAL LIABILITIES	27,113	28,157	405	421	27,518	28,578
NET POSITION:						
NET INVESTMENT IN CAPITAL ASSETS	64,707	62,155	625	648	65,332	62,803
RESTRICTED FOR DEBT SERVICE	3,332	3,943	0	0	3,332	3,943
RESTRICTED FOR CAPITAL PROJECTS	2,273	1,873	0	0	2,273	1,873
RESTRICTED FOR PUBLIC SAFETY ACTIVITIES	203	133	0	0	203	133
RESTRICTED FOR LAW LIBRARY OPERATIONS	59	56	0	0	59	56
RESTRICTED FOR JUDICIAL ACTIVITIES	233	109	0	0	233	109
RESTRICTED FOR TOURISM	2	1	0	0	2	1
UNRESTRICTED	5,824	6,560	(401)	(416)	5,423	6,144
TOTAL NET POSITION	\$76,633	\$74,830	\$224	\$232	\$76,857	\$75,062

*Current and other assets includes deferred outflows of resources and other liabilities includes deferred inflows of resources

A significant portion (85%) 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 15% of the total. Included in this category are unspent SPLOST proceeds for Debt Service Reserves (4.30% of the total), funds restricted for capital projects (2.96% of the total), public safety activities (0.26% of the total), law library activities (0.10% of the total), and judicial activities (0.30% of the total).

The remaining 7.08% 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 2015 and 2014 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, 2015 and 2014
(\$ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS- TYPE ACTIVITIES		TOTAL	
	2015	2014	2015	2014	2015	2014
REVENUES:						
PROGRAM REVENUES:						
CHARGES FOR SERVICES	\$4,441	\$4,334	\$35	\$32	\$4,476	\$4,366
OPERATING GRANTS & CONTRIBUTIONS	1,297	1,148	0	0	1,297	1,148
CAPITAL GRANTS & CONTRIBUTIONS	1,830	426	0	0	1,830	426
GENERAL REVENUES:						
PROPERTY TAXES	9,334	9,595	0	0	9,334	9,595
SALES TAXES	5,756	5,468	0	0	5,756	5,468
OTHER TAXES	1,527	1,442	0	0	1,527	1,442
UNRESTRICTED INVESTMENT EARNINGS	35	45	0	0	35	45
TOTAL REVENUES	24,220	22,458	35	32	24,255	22,490
EXPENSES:						
GENERAL GOVERNMENT	4,358	3,900	0	0	4,358	3,900
PUBLIC SAFETY	9,474	9,691	0	0	9,474	9,691
JUDICIAL SYSTEM	2,262	2,372	0	0	2,262	2,372
PUBLIC WORKS	2,723	2,960	0	0	2,723	2,960
HEALTH & WELFARE	723	667	0	0	723	667
CULTURE & RECREATION	1,363	1,336	0	0	1,363	1,336
HOUSING & DEVELOPMENT	962	412	0	0	962	412
INTEREST	470	519	0	0	470	519
SOLID WASTE	0	0	123	100	123	100
TOTAL EXPENSES	22,335	21,857	123	100	22,458	21,957
INCREASE IN NET POSITION BEFORE TRANSFERS	1,885	601	(88)	(68)	1,797	532
TRANSFERS	(81)	(79)	81	79	(0)	(0)
INCREASE (DECREASE) IN NET POSITION	1,804	522	(7)	11	1,796	532
NET POSITION, BEGINNING OF YEAR, PREVIOUSLY REPORTED	74,830	75,098	231	221	75,061	75,319
RESTATEMENT	0	(790)	0	0	0	(790)
NET POSITION, END OF YEAR	\$76,633	\$74,830	\$224	\$232	\$76,857	\$75,061

Governmental Activities: Governmental activities accounted for \$1.8 million of the excess in the County's net revenues over expenses for 2015 primarily due to the collection of back property taxes, interest and penalties, and an increase in capital grants and contributions.

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 2015, Lumpkin County Governmental Funds reported a combined fund balance of \$12.5 million. This amount was down \$0.6 million from 2014. Of the total combined fund balance, approximately 42.5% 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 48.4% 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 \$6.4 million. This was a decrease from the previous year. Of the \$6.4 million, 82.35% is unassigned while the remaining 17.65% is non-spendable or assigned.

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, 2015 had an outstanding principal balance of \$1.19 million. The fund balance of the Debt Service Fund is \$3.3 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, 2015 the fund balance of this fund was \$2.3 million.

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 Management Fund is the County's single enterprise fund. Total net position of the enterprise fund at the end of 2015 was \$224 thousand, representing a decrease of \$7 thousand due largely to expenses that outpaced revenues and transfers from the general fund.

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 \$712 thousand below final budget amounts.

Capital Assets and Debt Administration

Capital Assets

At the end of 2015, the County had acquired \$80.5 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.
- 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 \$101 million in 2015. The County currently has \$1.19 million subject to the limitation.

At December 31, 2015, Lumpkin County had the following outstanding long-term debt:

- \$15.8 million in notes payable and bonds payable.
- \$325 thousand in compensated absences.
- \$ 1.1 million in net pension liability.
- 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 2015, with minimal growth in the business sector. New housing starts were up in the County during 2015, 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.

The 2016 budget planned for an increase in tax revenues to fund a Capital Improvement Program and a salary increase for employees. The economy has necessitated a tight spending budget for 2016 as the value of the digest continues to decline and the economy remains sluggish. The budget increased by \$1.1 million, largely due to the tax increase. 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, 2015**

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 16,718,815	\$ -	\$ 16,718,815
Investments	2,672,451	-	2,672,451
Receivables (net of allowance for uncollectibles)	2,900,733	5,982	2,906,715
Prepaid items	520,823	445	521,268
Inventories	144,397	-	144,397
Internal balances	1,580	(1,580)	-
Due from component units	191	-	191
Restricted cash and cash equivalents	-	-	-
Capital assets, nondepreciable	36,547,057	192,103	36,739,160
Capital assets, depreciable, net of accumulated depreciation	43,343,217	432,949	43,776,166
Total assets	<u>102,849,264</u>	<u>629,899</u>	<u>103,479,163</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	584,483	-	584,483
Plan contributions subsequent to the measurement date - pension	289,822	-	289,822
Changes in proportion and difference between employer contributions and employer proportionate share of contributions - pension	-	-	-
Net difference between projected and actual earnings on pension plan investments	21,827	-	21,827
Total deferred outflows of resources	<u>896,132</u>	<u>-</u>	<u>896,132</u>
LIABILITIES			
Accounts payable	445,633	6,849	452,482
Accrued liabilities	236,676	658	237,334
Customer deposits	-	-	-
Due to primary government	-	-	-
Noncurrent liabilities due within one year			
Compensated absences	322,525	2,177	324,702
Landfill closure and postclosure	-	22,000	22,000
Notes payable	717,762	-	717,762
Bonds payable	625,000	-	625,000
Noncurrent liabilities due in more than one year			
Compensated absences payable	-	-	-
Landfill closure and postclosure	-	374,000	374,000
Notes payable	6,749,682	-	6,749,682
Bonds payable	7,675,769	-	7,675,769
Net pension liability	1,071,746	-	1,071,746
Total liabilities	<u>17,844,793</u>	<u>405,684</u>	<u>18,250,477</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues - property taxes	8,877,188	-	8,877,188
Unearned revenues - intergovernmental	390,523	-	390,523
Net difference between projected and actual earnings on pension plan investment	-	-	-
Total deferred inflows of resources	<u>9,267,711</u>	<u>-</u>	<u>9,267,711</u>
NET POSITION			
Net investment in capital assets	64,706,544	625,052	65,331,596
Restricted for:			
Debt service	3,331,883	-	3,331,883
Capital projects	2,272,983	-	2,272,983
Public safety activities	203,384	-	203,384
Law library operations	59,227	-	59,227
Judicial activities	233,268	-	233,268
Tourism	1,878	-	1,878
Unrestricted	5,823,725	(400,837)	5,422,888
Total net position	<u>\$ 76,632,892</u>	<u>\$ 224,215</u>	<u>\$ 76,857,107</u>

The accompanying notes are an integral part of these financial statements

Component Units			
Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
\$ 361,347	\$ 610,177	\$ 258,732	\$ 306,547
-	-	1,176,446	-
47,430	-	11,905	123,075
-	4,304	-	18,646
-	-	-	25,767
-	-	-	-
-	11,612	-	-
-	2,070,784	-	97,055
<u>3,568</u>	<u>1,048,024</u>	<u>-</u>	<u>4,307,236</u>
<u>412,345</u>	<u>3,744,901</u>	<u>1,447,083</u>	<u>4,878,326</u>
-	-	-	64,448
72,064	-	-	-
13,706	-	-	-
-	-	-	-
<u>85,770</u>	<u>-</u>	<u>-</u>	<u>64,448</u>
25,258	170,889	-	24,832
-	196,271	-	6,906
-	-	-	99,125
-	5	-	186
25,510	-	-	7,496
-	-	-	-
-	89,419	-	23,880
-	-	-	268,258
14,100	-	-	-
-	-	-	-
-	2,254,231	-	237,920
-	-	-	1,174,039
<u>505,996</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>570,864</u>	<u>2,710,815</u>	<u>-</u>	<u>1,842,642</u>
-	-	-	-
-	-	-	-
<u>123,498</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>123,498</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,568	434,250	-	2,764,642
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>(199,815)</u>	<u>599,836</u>	<u>1,447,083</u>	<u>335,490</u>
<u>\$ (196,247)</u>	<u>\$ 1,034,086</u>	<u>\$ 1,447,083</u>	<u>\$ 3,100,132</u>

LUMPKIN COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2015

<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	\$ 4,357,716	\$ 781,152	\$ 176,397	\$ -
Judicial	2,262,281	1,025,926	596,964	-
Public safety	9,473,672	2,234,355	286,592	-
Public works	2,723,420	1,535	2,800	1,829,600
Health and welfare	723,292	22,931	234,556	-
Culture and recreation	1,363,227	235,424	-	-
Housing and development	962,181	139,794	-	-
Interest on long-term debt	470,206	-	-	-
Total governmental activities	22,335,995	4,441,117	1,297,309	1,829,600
Business-type activities:				
Solid waste management	123,173	34,993	-	-
Total business-type activities	123,173	34,993	-	-
Total primary government	\$ 22,459,168	\$ 4,476,110	\$ 1,297,309	\$ 1,829,600
Component units:				
Health Department	\$ 778,696	\$ 279,773	\$ 514,182	\$ -
Development Authority	205,462	179,450	-	500,000
Hospital Authority	69,633	-	-	-
Water and Sewerage Authority	882,872	1,081,746	-	34,516
Total component units	\$ 1,936,663	\$ 1,540,969	\$ 514,182	\$ 534,516
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Other taxes				
Unrestricted net 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
\$ (3,400,167)	\$ -	\$ (3,400,167)	\$ -	\$ -	\$ -	\$ -
(639,391)	-	(639,391)	-	-	-	-
(6,952,725)	-	(6,952,725)	-	-	-	-
(889,485)	-	(889,485)	-	-	-	-
(465,805)	-	(465,805)	-	-	-	-
(1,127,803)	-	(1,127,803)	-	-	-	-
(822,387)	-	(822,387)	-	-	-	-
(470,206)	-	(470,206)	-	-	-	-
<u>(14,767,969)</u>	<u>-</u>	<u>(14,767,969)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(88,180)	(88,180)	-	-	-	-
-	(88,180)	(88,180)	-	-	-	-
<u>(14,767,969)</u>	<u>(88,180)</u>	<u>(14,856,149)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	15,259	-	-	-
-	-	-	-	473,988	-	-
-	-	-	-	-	(69,633)	-
-	-	-	-	-	-	233,390
-	-	-	<u>15,259</u>	<u>473,988</u>	<u>(69,633)</u>	<u>233,390</u>
9,334,460	-	9,334,460	-	-	-	-
5,755,590	-	5,755,590	-	-	-	-
1,297,606	-	1,297,606	-	-	-	-
229,704	-	229,704	-	-	-	-
34,762	-	34,762	-	86	29,050	-
-	-	-	9,305	723	-	-
(80,802)	80,802	-	-	-	-	-
<u>16,571,320</u>	<u>80,802</u>	<u>16,652,122</u>	<u>9,305</u>	<u>809</u>	<u>29,050</u>	<u>-</u>
1,803,351	(7,378)	1,795,973	24,564	474,797	(40,583)	233,390
74,829,541	231,593	75,061,134	(220,811)	559,289	1,487,666	2,866,742
<u>\$ 76,632,892</u>	<u>\$ 224,215</u>	<u>\$ 76,857,107</u>	<u>\$ (196,247)</u>	<u>\$ 1,034,086</u>	<u>\$ 1,447,083</u>	<u>\$ 3,100,132</u>

LUMPKIN COUNTY, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

ASSETS	Debt			Nonmajor	Total
	General	Service	SPLOST	Governmental Funds	
Cash and cash equivalents	\$ 12,411,067	\$ 845,576	\$ 2,777,153	\$ 685,019	\$ 16,718,815
Investments	-	2,672,451	-	-	2,672,451
Receivables (net of allowance for uncollectibles)	2,299,480	39,326	262,853	299,074	2,900,733
Inventories	144,397	-	-	-	144,397
Due from other funds	776,774	-	-	100,541	877,315
Due from component units	191	-	-	-	191
Prepaid items	480,932	-	-	39,891	520,823
Total assets	\$ 16,112,841	\$ 3,557,353	\$ 3,040,006	\$ 1,124,525	\$ 23,834,725
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 297,556	\$ -	\$ 41,715	\$ 106,362	\$ 445,633
Other accrued liabilities	168,795	-	-	-	168,795
Due to other funds	100,541	41,294	725,308	8,592	875,735
Total liabilities	566,892	41,294	767,023	114,954	1,490,163
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	525,977	11,543	-	6,883	544,403
Unearned revenue - property taxes	8,591,448	184,176	-	101,564	8,877,188
Unavailable revenue - intergovernmental	-	-	-	61,588	61,588
Unearned revenue - intergovernmental	-	-	-	390,523	390,523
Total deferred inflows of resources	9,117,425	195,719	-	560,558	9,873,702
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	480,932	-	-	39,891	520,823
Inventories	144,397	-	-	-	144,397
Restricted for:					
Debt service	-	3,320,340	-	-	3,320,340
Capital projects	-	-	2,272,983	-	2,272,983
Public safety activities	-	-	-	203,384	203,384
Law library operations	-	-	-	59,227	59,227
Judicial activities	-	-	-	175,886	175,886
Tourism	-	-	-	1,878	1,878
Assigned for:					
Fire station construction	375,000	-	-	-	375,000
Equipment purchases	134,500	-	-	-	134,500
Unassigned	5,293,695	-	-	(31,253)	5,262,442
Total fund balances	6,428,524	3,320,340	2,272,983	449,013	12,470,860
Total liabilities, deferred inflows of resources and fund balances	\$ 16,112,841	\$ 3,557,353	\$ 3,040,006	\$ 1,124,525	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	79,890,274
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	605,991
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(15,574,136)
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the County's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(760,097)

Net position of governmental activities \$ 76,632,892

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, 2015

	General	Debt Service	SPLOST	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	\$ 13,191,902	\$ 197,795	\$ 3,204,741	\$ 250,379	\$ 16,844,817
Licenses and permits	44,117	-	-	132,611	176,728
Fines and forfeitures	563,889	-	-	93,599	657,488
Charges for services	2,782,930	-	-	579,101	3,362,031
Interest income	10,840	23,619	3,024	303	37,786
Intergovernmental	810,136	-	200,000	1,461,436	2,471,572
Contributions and donations	21,444	-	-	42,528	63,972
Other	276,080	-	-	12,703	288,783
Total revenues	<u>17,701,338</u>	<u>221,414</u>	<u>3,407,765</u>	<u>2,572,660</u>	<u>23,903,177</u>
Expenditures:					
Current:					
General government	3,432,735	-	28,065	2,514	3,463,314
Judicial	1,504,882	-	-	787,622	2,292,504
Public safety	8,304,071	-	-	840,698	9,144,769
Public works	1,104,547	-	-	221,224	1,325,771
Health and welfare	656,366	-	39,849	-	696,215
Culture and recreation	1,153,249	-	-	-	1,153,249
Housing and development	72,503	-	500,000	389,893	962,396
Intergovernmental	-	-	515,389	-	515,389
Capital outlay	-	-	1,621,459	1,533,181	3,154,640
Debt service:					
Principal	50,290	633,406	610,000	-	1,293,696
Interest	68,750	195,300	175,978	-	440,028
Total expenditures	<u>16,347,393</u>	<u>828,706</u>	<u>3,490,740</u>	<u>3,775,132</u>	<u>24,441,971</u>
Excess (deficiency) of revenues over expenditures	<u>1,353,945</u>	<u>(607,292)</u>	<u>(82,975)</u>	<u>(1,202,472)</u>	<u>(538,794)</u>
Other financing sources (uses):					
Proceeds from the sale of capital assets	54,886	-	-	-	54,886
Transfers in	4,391	-	483,157	1,690,075	2,177,623
Transfers out	(1,854,078)	-	-	(404,347)	(2,258,425)
Total other financing sources (uses)	<u>(1,794,801)</u>	<u>-</u>	<u>483,157</u>	<u>1,285,728</u>	<u>(25,916)</u>
Net change in fund balances	(440,856)	(607,292)	400,182	83,256	(564,710)
Fund balances, beginning of year	<u>6,869,380</u>	<u>3,927,632</u>	<u>1,872,801</u>	<u>365,757</u>	<u>13,035,570</u>
Fund balances, end of year	<u>\$ 6,428,524</u>	<u>\$ 3,320,340</u>	<u>\$ 2,272,983</u>	<u>\$ 449,013</u>	<u>\$ 12,470,860</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, 2015

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

Net change in fund balances - total governmental funds	\$ (564,710)
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 capital outlays exceeded depreciation in the current period.	908,583
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	393,140
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(247,425)
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.	1,293,696
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>20,067</u>
Change in net position - governmental activities	<u><u>\$ 1,803,351</u></u>

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUND DECEMBER 31, 2015

	Solid Waste Management Fund
ASSETS	
Current assets:	
Receivables	\$ 5,982
Prepaid items	445
Total current assets	<u>6,427</u>
Noncurrent assets:	
Capital assets:	
Capital assets, not being depreciated	192,103
Capital assets, being depreciated	1,029,561
Less accumulated depreciation	<u>(596,612)</u>
Total capital assets, net of accumulated depreciation	<u>625,052</u>
Total assets	<u>631,479</u>
LIABILITIES	
Current liabilities:	
Accounts payable	6,849
Other accrued liabilities	658
Due to other funds	1,580
Compensated absences	2,177
Landfill postclosure, current	<u>22,000</u>
Total current liabilities	<u>33,264</u>
Long-term liabilities:	
Landfill postclosure	<u>374,000</u>
Total long-term liabilities	<u>374,000</u>
Total liabilities	<u>407,264</u>
NET POSITION	
Investment in capital assets	625,052
Unrestricted	<u>(400,837)</u>
Total net position	<u>\$ 224,215</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, 2015

	<u>Solid Waste Management Fund</u>
OPERATING REVENUES	
Charges for services	\$ 34,993
Total operating revenues	<u>34,993</u>
OPERATING EXPENSES	
Salaries and benefits	56,324
Supplies and maintenance	43,766
Depreciation expense	23,083
Total operating expenses	<u>123,173</u>
Operating loss before transfers	(88,180)
Transfers in	<u>80,802</u>
Change in net position	(7,378)
NET POSITION, beginning of year	<u>231,593</u>
NET POSITION, end of year	<u><u>\$ 224,215</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, 2015

	Solid Waste Management Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 31,711
Payments to suppliers and service providers	(57,416)
Payments to employees	(55,097)
	(80,802)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer in from other funds	80,802
	80,802
Net cash provided by noncapital financing activities	80,802
	80,802
Net increase in cash and cash equivalents	-
Cash and cash equivalents:	
Beginning of year	-
End of year	\$ -
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (88,180)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	23,083
Increase in receivables	(3,282)
Decrease in due from other funds	1,142
Decrease in prepaids	934
Increase in accounts payable	4,694
Decrease in other accrued liabilities	(950)
Increase in due to other funds	1,580
Increase in compensated absences	2,177
Decrease in landfill postclosure care costs	(22,000)
	(80,802)
Net cash used in operating activities	\$ (80,802)

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES FIDUCIARY FUNDS DECEMBER 31, 2015

ASSETS	Agency Funds
Cash	\$ 1,391,160
Taxes receivable	2,339,513
Accounts receivable	<u>21,291</u>
Total assets	<u>\$ 3,751,964</u>
LIABILITIES	
Due to others	\$ 1,412,451
Uncollected taxes	<u>2,339,513</u>
Total liabilities	<u>\$ 3,751,964</u>

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

LUMPKIN COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

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, 60 Mechanicsville Road, 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, 194 Courthouse Hill, Annex 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 County has the ability to impose its will upon the Water Authority in addition to its appointment of a voting majority of the Water Authority's governing body. The Water 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 nine 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 **capital projects funds** account for large capital outlay projects funded locally, with state funding and federal funding.

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.

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 non-operating revenues and expenses.

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.

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.

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."

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. These items are accounted for using the consumption method.

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

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. One item that qualifies for reporting in this category is the deferred charge on refunding which is 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.

The County also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the County to the pension plan before year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

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 reports deferred inflows of resources in both its governmental funds balance sheet and statement of net position.

Unavailable revenues, which arise only under a modified accrual basis of accounting, qualify for reporting in this category. The governmental funds balance sheet will 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 in accordance with the County's revenue recognition policy.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows / Inflows of Resources (Continued)

The governmental funds balance sheet and the government wide statement of net position will report deferred inflows of resources for unearned revenues. The County reports unearned revenues from property taxes which are received or reported as a receivable before the period for which the taxes have been levied. Additionally, the County reports unearned intergovernmental revenues from voluntary exchange transactions for resources received before time requirements are met but after all other eligibility requirements have been met.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets and liabilities and deferred inflows of resources 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.

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. By passage of a resolution establishing the County’s fund balance policy, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

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

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

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.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Lumpkin County Defined Benefit Plan (the Plan) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 \$15,574,136 difference are as follows:

Notes payable	\$ (7,467,444)
Revenue bonds payable	(8,270,000)
Premium on issuance of revenue bonds	(30,769)
Deferred loss on refunding	584,483
Accrued interest payable	(67,881)
Compensated absences	<u>(322,525)</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	 <u><u>\$ (15,574,136)</u></u>

Another element of that reconciliation states that “deferred outflows of resources, deferred inflows of resources and the net pension liability related to the County’s pension plan are not expected to be liquidated with expendable available resources and, therefore, are not reported in the funds.” The details of this \$760,097 difference are as follows:

Net pension liability	\$ (1,071,746)
Deferred outflows of resources:	
Pension plan contributions subsequent to measurement date	289,822
Pension plan experience differences	<u>21,827</u>
Net adjustment to decrease <i>fund balance- total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (760,097)</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

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 \$908,583 difference are as follows:

Capital outlay	\$ 3,166,905
Depreciation expense	<u>(2,258,322)</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>\$ 908,583</u></u>

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 \$393,140 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.	\$ (171,256)
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.	<u>564,396</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>\$ 393,140</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 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 \$1,293,696 difference are as follows:

Principal repayments of revenue bonds	\$	610,000
Principal repayments of notes payable		683,696
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>	\$	1,293,696

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 \$20,067 difference are as follows:

Compensated absences	\$	11,031
Amortization of original issue premium		4,656
Amortization of deferred charges on refunding		(48,706)
Accrued interest		13,872
Net pension liability and related deferred outflows and inflows of resources		39,214
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>	\$	20,067

NOTES TO FINANCIAL STATEMENTS

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.

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, 2015. The fund deficits will be reduced through availability of revenues, lower expenditures, and General Fund appropriations, as needed.

<u>Fund</u>	<u>Deficit</u>
Planning Fund	\$ 15,187
Capital Projects Fund	11,701
Community Development Block Grant Fund	3,924

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

C. Excess Expenditures Over Appropriations

For the year ended December 31, 2015 expenditures exceeded the budget in the funds and General Fund departments as follows:

<u>Fund/Department</u>	<u>Excess</u>
General Fund - Executive	\$ 4,743
General Fund - Tax Assessor	67,043
General Fund - District Attorney	1,994
General Fund - Magistrate Court	7,350
General Fund - Fire	130,705
General Fund - Public Works Administration	423
General Fund - Special Facilities	2,561
General Fund - Conservation	579
Confiscated Assets Fund	6,719
Special Programs Fund	4,593
Technology Fee Fund	18,449
Hotel/Motel Tax Fund	19,961
Planning Fund	8,847

The excess of expenditures over budget that are noted above were primarily funded by greater than anticipated revenues and available fund balance.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

A. Primary Government (Continued)

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, 2015, the County's deposits were insured and/or collateralized as defined by state statutes and GASB pronouncements.

At December 31, 2015, the County's funds included the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value</u>
Federal Farm Credit Banks	December 7, 2016	AAA / AA+	\$ 2,672,451

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, 2015, the Health Department had no uninsured or uncollateralized deposits.

C. Component Unit – Development Authority

Custodial credit risk. As of December 31, 2015, the Development Authority had no uninsured deposits.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

D. Component Unit – Hospital Authority

As of December 31, 2015, the Hospital Authority had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Rating (S&P)</u>	<u>Fair Value</u>
GA Municipal Association COP	December 1, 2023	AA	\$ 109,225
Federal Home Loan Bank	March 21, 2028	AA+	192,140
Federal Farm Credit Bank	September 15, 2029	AA+	101,999
City of Americus Bonds	June 1, 2030	AA	121,060
City of Dahlonega Revenue Bonds	July 1, 2030	AA	212,256
Tennessee Valley Authority	July 15, 2033	AA+	113,894
Federal Farm Credit Bank	June 8, 2037	AA+	113,242
Decatur GA School System COP	May 1, 2044	AA-	212,630
	Total		<u>\$ 1,176,446</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, 2015, 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, 2015, all of the Water Authority's deposits were collateralized with the depository financial institution.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

A. Primary Government

Receivables at December 31, 2015, 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	\$ 1,574,236	\$ 35,057	\$ 262,853	\$ 5,982	\$ 19,871
Other governments	400,639	-	-	-	169,826
Accounts	<u>1,376,768</u>	<u>4,269</u>	<u>-</u>	<u>-</u>	<u>109,377</u>
Gross receivables	3,351,643	39,326	262,853	5,982	299,074
Less allowance for uncollectibles	<u>(1,052,163)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net receivables	<u><u>\$ 2,299,480</u></u>	<u><u>\$ 39,326</u></u>	<u><u>\$ 262,853</u></u>	<u><u>\$ 5,982</u></u>	<u><u>\$ 299,074</u></u>

Property taxes for the 2015 fiscal year were levied on September 15, 2014, with property values assessed as of January 1, 2014. Bills are payable on or before November 15, 2014, 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 2015 are to fund operations for the County's fiscal year beginning January 1, 2016. Amounts recorded as a receivable as well as amounts collected as of December 31, 2015 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, 2015:

Receivables:	
Accounts	\$ 156,686
Less allowance for uncollectibles	(33,611)
Net total receivables	<u><u>\$ 123,075</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2015 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	\$ 20,200,690	\$ 206,425	\$ -	\$ (133,884)	\$ 20,273,231
Infrastructure land improvements	15,485,457	387,701	-	-	15,873,158
Construction in progress	<u>599,758</u>	<u>52,354</u>	-	<u>(251,444)</u>	<u>400,668</u>
Total capital assets, not being depreciated	<u>36,285,905</u>	<u>646,480</u>	<u>-</u>	<u>(385,328)</u>	<u>36,547,057</u>
Capital assets, being depreciated:					
Buildings and improvements	40,499,477	670,053	-	251,444	41,420,974
Machinery and equipment	4,518,318	638,040	(29,452)	-	5,126,906
Vehicles	4,617,852	479,767	(304,863)	-	4,792,756
Infrastructure	<u>20,247,954</u>	<u>1,296,961</u>	<u>(803,978)</u>	<u>133,884</u>	<u>20,874,821</u>
Total capital assets, being depreciated	<u>69,883,601</u>	<u>3,084,821</u>	<u>(1,138,293)</u>	<u>385,328</u>	<u>72,215,457</u>
Less accumulated depreciation for:					
Buildings and improvements	7,977,733	877,736	-	-	8,855,469
Machinery and equipment	3,098,238	217,876	(26,507)	-	3,289,607
Vehicles	3,041,442	339,873	(267,179)	-	3,114,136
Infrastructure	<u>13,463,542</u>	<u>822,837</u>	<u>(673,351)</u>	-	<u>13,613,028</u>
Total accumulated depreciation	<u>27,580,955</u>	<u>2,258,322</u>	<u>(967,037)</u>	<u>-</u>	<u>28,872,240</u>
Total capital assets, being depreciated, net	<u>42,302,646</u>	<u>826,499</u>	<u>(171,256)</u>	<u>385,328</u>	<u>43,343,217</u>
Governmental activities capital assets, net	<u>\$ 78,588,551</u>	<u>\$ 1,472,979</u>	<u>\$ (171,256)</u>	<u>\$ -</u>	<u>\$ 79,890,274</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 192,103	\$ -	\$ -	\$ 192,103
Total capital assets, not being depreciated	<u>192,103</u>	<u>-</u>	<u>-</u>	<u>192,103</u>
Capital assets, being depreciated:				
Land improvements	291,585	-	-	291,585
Buildings and improvements	551,470	-	-	551,470
Machinery and equipment	134,506	-	-	134,506
Vehicles	52,000	-	-	52,000
Total capital assets, being depreciated	<u>1,029,561</u>	<u>-</u>	<u>-</u>	<u>1,029,561</u>
Less accumulated depreciation for:				
Land improvements	288,139	3,446	-	291,585
Buildings and improvements	143,205	12,971	-	156,176
Machinery and equipment	95,385	6,666	-	102,051
Vehicles	46,800	-	-	46,800
Total accumulated depreciation	<u>573,529</u>	<u>23,083</u>	<u>-</u>	<u>596,612</u>
Total capital assets, being depreciated, net	<u>456,032</u>	<u>(23,083)</u>	<u>-</u>	<u>432,949</u>
Business-type activities capital assets, net	<u>\$ 648,135</u>	<u>\$ (23,083)</u>	<u>\$ -</u>	<u>\$ 625,052</u>

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	\$ 566,027
Public safety	536,356
Public works	906,676
Health and welfare	33,014
Culture and recreation	210,677
Housing and development	5,572
Total depreciation expense - governmental activities	<u>\$ 2,258,322</u>

B. Discretely Presented Component Unit – Development Authority

Capital asset activity for the year ended December 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 203,915	\$ -	\$ -	\$ 203,915
Construction in progress	-	1,866,869	-	1,866,869
Total	<u>203,915</u>	<u>1,866,869</u>	<u>-</u>	<u>2,070,784</u>
Capital assets, being depreciated:				
Building	1,377,227	-	-	1,377,227
Machinery and equipment	15,972	-	-	15,972
Total	<u>1,393,199</u>	<u>-</u>	<u>-</u>	<u>1,393,199</u>
Less accumulated depreciation for:				
Building	(306,289)	(28,107)	-	(334,396)
Machinery and equipment	(7,812)	(2,967)	-	(10,779)
Total	<u>(314,101)</u>	<u>(31,074)</u>	<u>-</u>	<u>(345,175)</u>
Total capital assets, being depreciated, net	<u>1,079,098</u>	<u>(31,074)</u>	<u>-</u>	<u>1,048,024</u>
Total capital assets, net	<u>\$ 1,283,013</u>	<u>\$ 1,835,795</u>	<u>\$ -</u>	<u>\$ 3,118,808</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, 2015 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	\$ 17,837	\$ 3,512	\$ -	\$ 21,349
Construction in progress	311,418	83,030	(318,742)	75,706
Total	<u>329,255</u>	<u>86,542</u>	<u>(318,742)</u>	<u>97,055</u>
Capital assets, being depreciated:				
Infrastructure	6,131,089	-	318,742	6,449,831
Machinery and equipment	93,589	8,522	-	102,111
Vehicles	68,002	-	-	68,002
Total	<u>6,292,680</u>	<u>8,522</u>	<u>318,742</u>	<u>6,619,944</u>
Less accumulated depreciation for:				
Infrastructure	(2,019,260)	(185,115)	-	(2,204,375)
Machinery and equipment	(50,901)	(12,858)	-	(63,759)
Vehicles	(36,415)	(8,159)	-	(44,574)
Total	<u>(2,106,576)</u>	<u>(206,132)</u>	<u>-</u>	<u>(2,312,708)</u>
Total capital assets, being depreciated, net	<u>4,186,104</u>	<u>(197,610)</u>	<u>318,742</u>	<u>4,307,236</u>
Total capital assets, net	<u>\$ 4,515,359</u>	<u>\$ (111,068)</u>	<u>\$ -</u>	<u>\$ 4,404,291</u>

D. Discretely Presented Component Unit – Department of Public Health

Capital asset activity for the year ended June 30, 2015 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	(8,192)	(713)	-	(8,905)
Total accumulated depreciation	<u>(8,192)</u>	<u>(713)</u>	<u>-</u>	<u>(8,905)</u>
Total capital assets, net	<u>\$ 4,281</u>	<u>\$ (713)</u>	<u>\$ -</u>	<u>\$ 3,568</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2015, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	SPLOST Fund	\$ 725,308
General Fund	Debt Service Fund	41,294
General Fund	Nonmajor Governmental Funds	8,592
General Fund	Solid Waste Fund	1,580
Nonmajor Governmental Funds	General Fund	100,541

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, 2015 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 4,391
Solid Waste Fund	General Fund	80,802
Nonmajor governmental funds	General Fund	1,690,075
SPLOST Fund	General Fund	83,201
SPLOST Fund	Nonmajor governmental funds	399,956

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	\$ 5
Lumpkin County General Fund	Water & Sewerage Authority	186

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, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Revenue bonds	\$ 8,880,000	\$ -	\$ (610,000)	\$ 8,270,000	\$ 625,000
Plus: Premium	35,425	-	(4,656)	30,769	-
Total revenue bonds	<u>8,915,425</u>	<u>-</u>	<u>(614,656)</u>	<u>8,300,769</u>	<u>625,000</u>
Notes payable	8,151,140	-	(683,696)	7,467,444	717,762
Net pension liability	1,047,288	421,735	(397,277)	1,071,746	-
Compensated absences	<u>333,556</u>	<u>359,576</u>	<u>(370,607)</u>	<u>322,525</u>	<u>322,525</u>
Governmental activities long-term liabilities	<u>\$ 18,447,409</u>	<u>\$ 781,311</u>	<u>\$ (2,066,236)</u>	<u>\$ 17,162,484</u>	<u>\$ 1,665,287</u>
Business-type Activities:					
Landfill postclosure costs	\$ 418,000	\$ -	\$ (22,000)	\$ 396,000	\$ 22,000
Compensated absences	<u>-</u>	<u>2,284</u>	<u>(107)</u>	<u>2,177</u>	<u>2,177</u>
Business-type activities long-term liabilities	<u>\$ 418,000</u>	<u>\$ 2,284</u>	<u>\$ (22,107)</u>	<u>\$ 398,177</u>	<u>\$ 24,177</u>

For governmental activities, compensated absences and the net pension liability 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>
2016	\$ 580,000	\$ 45,180	\$ 625,180
2017	610,000	15,311	625,311
Total	<u>\$ 1,190,000</u>	<u>\$ 60,491</u>	<u>\$ 1,250,491</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, 2015, was \$6,277,444 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>
2016	\$ 137,762	\$ 186,439	\$ 324,201
2017	141,952	182,249	324,201
2018	146,270	177,931	324,201
2019	150,719	173,482	324,201
2020	155,303	168,898	324,201
2021-2025	850,311	770,697	1,621,008
2026-2030	987,735	633,272	1,621,007
2031-2035	1,147,370	473,638	1,621,008
2036-2040	1,332,805	288,204	1,621,009
2041-2045	1,227,217	78,946	1,306,163
Total	<u>\$ 6,277,444</u>	<u>\$ 3,133,756</u>	<u>\$ 9,411,200</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue Bonds. In May 2013, the County completed its purchase of a judicial facility from the Association County Commissioners of Georgia by issuing the Lumpkin County Public Building Authority Revenue Bonds, Series 2013 which refunded previously outstanding certificates of participation. The proceeds from the bonds, together with certain other moneys, were deposited into an escrow fund which provided sufficient money to pay, when due, the principal and interest on the certificates up to and including November 1, 2014 when the certificates were fully redeemed. The revenue bonds bear interest at rates ranging from 1.25 – 2.00% and payments are made semiannually on May 1 and November 1 beginning in 2013 and concluding when the bonds are retired on November 1, 2027.

The County's debt service requirements to maturity on its revenue bonds are as follows:

Year ending December 31,	Principal	Interest	Total
2016	\$ 625,000	\$ 163,778	\$ 788,778
2017	635,000	151,278	786,278
2018	645,000	138,577	783,577
2019	660,000	125,677	785,677
2020	670,000	117,428	787,428
2021-2025	3,520,000	409,982	3,929,982
2026-2027	1,515,000	56,250	1,571,250
Total	\$ 8,270,000	\$ 1,162,970	\$ 9,432,970

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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, 2015, the County has 18 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately \$396,000 over the 18 year period. These costs are based on what it would cost to perform all post-closure care in 2015, 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.

B. Discretely Presented Component Unit – Development Authority

Debt activity for the year ended December 31, 2015 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	\$ 1,333,756	\$ 1,067,574	\$ (57,680)	\$ 2,343,650	\$ 89,419

Note Payable. On August 27, 2013, the Development Authority issued a note payable to refinance the purchase of property. The note is secured by the real estate and lease receipts and will be repaid over 240 months. The balance outstanding as of December 31, 2015 is \$1,276,076. Principal and interest are paid monthly with a fixed interest rate of 2.25%.

On March 30, 2015, the Development Authority issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The total maximum amount to be issued is \$1,500,000 with a 10 year maturity date of March 1, 2026. The repayment is interest only through March 1, 2016 with an interest rate of Libor plus 2.1%. After March 1, 2016, principal and interest will be paid monthly through maturity with a fixed interest rate of 2.64%. As of December 31, 2015 the outstanding balance is \$1,067,574. In the event that the Development Authority is unable to meet payment obligations, the full faith, credit and taxing power of Lumpkin County is ultimately responsible.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

The annual debt service requirements to maturity for the Development Authority's note payable are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 89,419	\$ 56,988	\$ 146,407
2017	102,118	54,414	156,532
2018	104,642	51,890	156,532
2019	107,229	49,303	156,532
2020	109,748	46,784	156,532
2021-2025	591,419	191,241	782,660
2026-2030	1,006,039	54,953	1,060,992
2031-2033	233,036	7,613	240,649
Total	<u>\$ 2,343,650</u>	<u>\$ 513,186</u>	<u>\$ 2,856,836</u>

C. Discretely Presented Component Unit – Water Authority

Long-term debt activity for the year ended December 31, 2015 for the Water Authority is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 1,705,484	\$ -	\$ (263,187)	\$ 1,442,297	\$ 268,258
Notes payable	285,145	-	(23,345)	261,800	23,880
Compensated absences	5,497	5,723	(3,724)	7,496	7,496
Total long-term liabilities	<u>\$ 1,996,126</u>	<u>\$ 5,723</u>	<u>\$ (290,256)</u>	<u>\$ 1,711,593</u>	<u>\$ 299,634</u>

Bonds Payable. On May 1, 2013, the Water Authority issued the Lumpkin County Water and Sewerage Authority Revenue Refunding Bond, Series 2013. The bond was issued for the purpose of refunding and paying off the outstanding principal amount, premium and accrued interest on the Lumpkin County Water and Sewerage Authority Water Revenue Bond, Series 2010. The Series 2013 bonds bear interest at 1.910% and is payable in monthly installments of \$24,456 which includes principal and interest. As a result of this transaction, the Water 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 \$64,448 as of December 31, 2015.

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 Series 2013 bonds are as follows:

Year ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 268,258	\$ 25,217	\$ 293,475
2017	273,427	20,048	293,475
2018	278,696	14,779	293,475
2019	284,065	9,410	293,475
2020	289,539	3,936	293,475
2021	48,312	117	48,429
Total	<u>\$ 1,442,297</u>	<u>\$ 73,507</u>	<u>\$ 1,515,804</u>

Notes Payable. On March 23, 2011, the Water 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%.

On February 21, 2013, the Water Authority issued a note payable to borrow \$47,580 from a financial institution to finance the purchase of machinery and equipment. Monthly principal and interest payments in the amount of \$1,023 will be made from April 15, 2013 until the note matures on March 15, 2017 at an interest rate of 1.55%.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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

Year ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 23,880	\$ 7,402	\$ 31,282
2017	15,174	6,903	22,077
2018	12,480	6,527	19,007
2019	12,860	6,147	19,007
2020	13,251	5,756	19,007
2021-2025	72,541	22,494	95,035
2026-2030	84,276	10,759	95,035
2031-2032	27,338	1,181	28,519
Total	<u>\$ 261,800</u>	<u>\$ 67,169</u>	<u>\$ 328,969</u>

On February 24, 2015, the Authority executed a promissory note to the Georgia Environmental Finance Authority (GEFA) to borrow up to \$1 million from the Drinking Water State Revolving Fund for the construction of a 500,000 gallon elevated water storage tank. The unpaid principal balance of the note will bear interest at 2.03% and will be payable monthly until the project is completed or January 1, 2018 (whichever is earlier). At that time, the note will be finalized and will enter into its repayment phase whereby principal and interest will be due in two hundred thirty-nine (239) equal monthly installments until the note is fully repaid. As of December 31, 2015, the Authority had not commenced work on the elevated storage tank project and accordingly, had not made any draws on this note payable to GEFA and, therefore, no liability is reported related to this note.

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, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 23,884	\$ 41,236	\$ (25,510)	\$ 39,610	\$ 25,510

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN

A. Primary Government

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, The Lumpkin County Defined Benefit Plan (the "Plan"), covering substantially all of the County's employees. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia (ACCG). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Plan benefits are provided for Plan participants who were participants in the Plan before January 1, 2004 whereby retirees receive between 1% and 1.75% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. Plan benefits are provided for Plan participants who were participants in the Plan on or after January 1, 2004 whereby retirees receive 1% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the 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. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to the Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Plan membership. As of January 1, 2015, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Retirees, Beneficiaries and Disables receiving benefits	31
Terminated plan participants entitled to but not yet receiving benefits	116
Active employees participating in the Plan	140
Total number of Plan participants	<u>287</u>

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended December 31, 2015, the County's contribution rate was 4.7% of annual payroll. County contributions to the Plan were \$289,822 for the year ended December 31, 2015.

Net Pension Liability of the County

Effective January 1, 2015, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which significantly changed the County's accounting for pension amounts. The information disclosed below is presented in accordance with these new standards.

The County's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2014.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Actuarial assumptions. The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.0% - 5.5%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table.

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study through December 31, 2013.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30%	6.78%
Large Cap equity	30%	9.77
International equity	15%	7.48
Other equity	20%	9.23
Real estate	5%	10.63
Total	<u>100%</u>	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended December 31, 2015, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/14	\$ 3,335,548	\$ 2,288,260	\$ 1,047,288
Changes for the year:			
Service cost	148,305	-	148,305
Interest	246,481	-	246,481
Contributions—employer	-	247,977	(247,977)
Net investment income	-	149,298	(149,298)
Benefit payments, including refunds of employee contributions	(98,269)	(98,269)	-
Administrative expense	-	(26,949)	26,949
Other changes	-	2	(2)
Net changes	<u>296,517</u>	<u>272,059</u>	<u>24,458</u>
Balances at 12/31/15	<u>\$ 3,632,065</u>	<u>\$ 2,560,319</u>	<u>\$ 1,071,746</u>

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.5 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
County's net pension liability	\$ 1,671,207	\$ 1,071,746	\$ 567,118

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 December 31, 2014 and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2015, the County recognized pension expense of \$250,608. At December 31, 2015, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Plan contributions made subsequent to the measurement period	\$ 289,822
Net difference between projected and actual earnings on pension plan investments	21,827
Total	\$ 311,649

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

County contributions subsequent to the measurement date of \$289,822 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2016	\$ 5,457
2017	5,457
2018	5,457
2019	<u>5,456</u>
Total	<u><u>\$ 21,827</u></u>

B. Discretely Presented Component Unit – Health Department

Plan Description

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

Benefits Provided

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

B. Discretely Presented Component Unit – Health Department (Continued)

Benefits Provided (Continued)

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

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

Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Health Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2015 was 21.96% of annual covered payroll for old and new plan members and 18.87% for GSEPS members. The Health Department's contributions to ERS totaled \$72,064 for the year ended June 30, 2015. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

Effective July 1, 2014, the Health Department implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which significantly changed the Health Department's accounting for pension amounts. The information disclosed below is presented in accordance with these new standards.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

B. Discretely Presented Component Unit – Health Department (Continued)

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

At June 30, 2015, the Health Department reported a liability for its proportionate share of the net pension liability in the amount of \$505,996. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The Health Department's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2014. At June 30 2014, the Health Department's proportion was 0.013491%, which was an increase of 0.000459% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Health Department recognized pension expense of \$39,468. At June 30, 2015, the Health Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 123,498
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,706	-
Employer contributions subsequent to the measurement date	72,064	-
Total	\$ 85,770	\$ 123,498

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

B. Discretely Presented Component Unit – Health Department (Continued)

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

Health Department contributions subsequent to the measurement date of \$72,064 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2016	\$ (22,308)
2017	(25,736)
2018	(30,875)
2019	<u>(30,873)</u>
Total	<u><u>(109,792)</u></u>

Actuarial assumptions

The total pension liability as of June 30, 2014 was determined by an actuarial valuation as of June 30, 2013 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

B. Discretely Presented Component Unit – Health Department (Continued)

Actuarial assumptions (Continued)

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.0%	3.00%
Domestic Large Equities	39.7%	6.50%
Domestic Mid Equities	3.7%	10.00%
Domestic Small Equities	1.6%	13.00%
International Developed Market Equities	18.9%	6.50%
International Emerging Market Equities	6.1%	11.00%
Total	100.0%	

* Rates shown are net of the 3% assumed rate of inflation

Discount rate

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

B. Discretely Presented Component Unit – Health Department (Continued)

Sensitivity of the Health Department’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Health Department’s proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Health Department’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Health Department's proportionate share of net pension liability	\$ 737,842	\$ 505,996	\$ 308,640

Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued ERS financial report which is publically available at www.ers.ga.gov/formspubs/formspubs.

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, 2015, the County’s covered payroll for employees participating in this plan was \$5,002,968 and total payroll was \$8,758,688. The County’s contribution was \$205,458 and employee contributions were \$234,701.

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.

NOTES TO FINANCIAL STATEMENTS

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.

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.

Financial Guarantees

In August 2013, the Development Authority of Lumpkin County obtained financing from a financial institution in the form of a loan in the maximum principal amount of \$1,403,614. Subsequently, the County guaranteed this loan in accordance with an intergovernmental contract signed between the Development Authority and the County dated August 27, 2013. Payments on the loan are due in monthly installments of principal and interest for a term of 240 months. As of December 31, 2015, the outstanding balance of the loan is \$1,276,076. In the event that the Development Authority has insufficient funds on deposit to enable the Development Authority to pay the principal and interest on the loan, the County will be required to transfer funds to the Development Authority such that payments from the County, when added to amounts available in the Development Authority's accounts, will be sufficient to pay principal and interest currently due.

In March 2015, the Development Authority of Lumpkin County obtained financing from a financial institution in the form of Taxable Industrial Development Revenue Bonds, Series 2015 in the maximum principal amount of \$1,500,000. Subsequently, the County guaranteed these bonds in accordance with an intergovernmental contract signed between the Development Authority and the County dated March 30, 2015. Payments on the loan are due in monthly installments of principal and interest for a term of 120 monthly payments. As of December 31, 2015, the outstanding balance of the loan is \$1,067,574. In the event that the Development Authority has insufficient funds on deposit to enable the Development Authority to pay the principal and interest on the loan, the County will be required to transfer funds to the Development Authority such that payments from the County, when added to amounts available in the Development Authority's accounts, will be sufficient to pay principal and interest currently due.

NOTES TO FINANCIAL STATEMENTS

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, 2015, the County paid \$27,291 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 30501

The County participates with Union and Towns Counties in the North Georgia Resource 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, 2015, the County made no payments to the Authority. As of December 31, 2015, the Authority does not have any debt outstanding. Separate financial statements can be obtained from their office at:

North Georgia Resource Management Authority
150 Hudson Ridge, Suite 1
Homer, GA 30547

NOTE 14. HOTEL/MOTEL TAX

The County has levied a 5% lodging tax. During the year ended December 31, 2015, the County collected \$147,296 in hotel/motel taxes. For the same year then ended, the hotel/motel tax fund reported expenditures of \$146,352, which includes transfers out to the County's General Fund, for the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note 9, the County and Board of Health implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* as well as Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective January 1, 2015 and July 1, 2014, respectively. The new standards significantly changed the accounting for pension amounts. As a result of this change in accounting principle, the County and Board of Health were required to restate beginning net position for Governmental Activities as shown below:

	Governmental Activities
Net position, as previously reported	\$ 75,620,105
Restatement for implementation of GASB Statement No. 68:	
Net pension liability as of December 31, 2014	(1,047,288)
Deferred outflow - Plan Contributions as of December 31, 2014	247,977
Removal of previously reported net pension obligation, under GASB Statement No. 27	8,747
Net position, as restated	\$ 74,829,541
	Board of Health
Net position, as previously reported	\$ 355,509
Restatement for implementation of GASB Statement No. 68:	
Net pension liability as of June 30, 2014	(632,397)
Contributions made subsequent to the measurement date	56,077
Net position, as restated	\$ (220,811)

NOTE 16. SUBSEQUENT EVENTS

Lumpkin County Water and Sewerage Authority

On March 15, 2016, the Authority executed a promissory note to the Georgia Environmental Finance Authority (GEFA) to borrow up to \$750,000 from the Drinking Water State Revolving Fund to finance the costs of acquiring, constructing, and installing water mains and appurtenances. The unpaid principal balance of the note will bear interest at 0.52% and will be payable monthly until the project is completed or October 1, 2017 (whichever is earlier). At that time, the note will be finalized and will enter into its repayment phase whereby principal and interest will be due in one hundred-nineteen (119) equal monthly installments until the note is fully repaid.

REQUIRED SUPPLEMENTARY INFORMATION

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 13,085,948	\$ 13,324,109	\$ 13,191,902	\$ (132,207)
Licenses and permits	40,000	40,000	44,117	4,117
Fines and forfeitures	488,925	507,325	563,889	56,564
Charges for services	2,687,155	2,965,642	2,782,930	(182,712)
Interest income	22,085	22,085	10,840	(11,245)
Intergovernmental	553,393	628,236	810,136	181,900
Contributions and donations	27,000	27,000	21,444	(5,556)
Other	151,100	181,014	276,080	95,066
Total revenues	17,055,606	17,695,411	17,701,338	5,927
Expenditures:				
Current:				
General government:				
Legislative	151,400	151,400	145,353	6,047
Executive	228,040	228,040	232,783	(4,743)
Board of elections	140,547	140,547	115,824	24,723
Human resources	204,551	207,075	188,456	18,619
Financial administration	489,223	496,202	459,163	37,039
Data processing	255,149	255,149	175,068	80,081
Tax commissioner	361,252	375,956	369,357	6,599
Public/General buildings	729,549	735,040	734,017	1,023
Customer service	416,781	517,035	430,063	86,972
Tax assessor	402,126	503,200	570,243	(67,043)
Risk management	18,000	18,000	12,408	5,592
Total general government	3,396,618	3,627,644	3,432,735	194,909
Judicial:				
Judicial administration	396,742	396,742	290,135	106,607
Superior court	254,554	234,554	211,319	23,235
Clerk superior court	525,834	535,364	525,697	9,667
District attorney	22,730	25,103	27,097	(1,994)
Magistrate court	204,734	210,945	218,295	(7,350)
Probate court	233,696	238,953	232,339	6,614
Total judicial	1,638,290	1,641,661	1,504,882	136,779
Public safety:				
Police	88,345	161,866	117,192	44,674
Fire	2,767,565	2,833,989	2,964,694	(130,705)
Sheriff	4,887,251	4,938,251	4,867,149	71,102
Emergency medical services	108,723	108,723	89,779	18,944
Coroner	55,466	55,466	51,034	4,432
Other protection	236,105	235,259	214,223	21,036
Total public safety	8,143,455	8,333,554	8,304,071	29,483
Public works:				
Public works administration	53,049	53,049	53,472	(423)
Highways and streets	1,115,250	1,124,595	886,781	237,814
Sanitation and wastewater	213,156	222,412	164,294	58,118
Total public works	1,381,455	1,400,056	1,104,547	295,509

(Continued)

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2015

Expenditures: (Continued)	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Health and welfare:				
Health	\$ 218,799	\$ 218,799	\$ 212,897	\$ 5,902
Welfare	15,000	15,000	15,000	-
Community services	427,848	445,134	428,469	16,665
Total health and welfare	661,647	678,933	656,366	22,567
Culture and recreation:				
Participant recreation	667,264	728,744	714,446	14,298
Special facilities	122,642	122,642	125,203	(2,561)
Library	313,600	313,600	313,600	-
Total culture and recreation	1,103,506	1,164,986	1,153,249	11,737
Housing and development:				
Conservation	55,477	55,477	56,056	(579)
Economic development	38,397	38,397	16,447	21,950
Total housing and development	93,874	93,874	72,503	21,371
Debt service:				
Principal	50,291	50,291	50,290	1
Interest	68,749	68,749	68,750	(1)
Total debt service	119,040	119,040	119,040	-
 Total expenditures	 16,537,885	 17,059,748	 16,347,393	 712,355
 Excess of revenues over expenditures	 517,721	 635,663	 1,353,945	 718,282
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	54,886	54,886	-
Transfers in	4,000	4,000	4,391	391
Transfers out	(1,142,489)	(1,667,483)	(1,854,078)	(186,595)
Total other financing sources (uses)	(1,138,489)	(1,608,597)	(1,794,801)	(186,204)
 Net change in fund balances	 (620,768)	 (972,934)	 (440,856)	 532,078
 Fund balances, beginning of year	 6,869,380	 6,869,380	 6,869,380	 -
 Fund balances, end of year	 \$ 6,248,612	 \$ 5,896,446	 \$ 6,428,524	 \$ 532,078

LUMPKIN COUNTY, GEORGIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED DECEMBER 31, 2015

	2015
Total pension liability	
Service cost	\$ 148,305
Interest on total pension liability	246,481
Benefit payments, including refunds of employee contributions	(98,269)
Net change in total pension liability	296,517
Total pension liability - beginning	3,335,548
Total pension liability - ending (a)	\$ 3,632,065
 Plan fiduciary net position	
Contributions - employer	247,977
Net investment income	149,298
Benefit payments, including refunds of employee contributions	(98,269)
Administrative expenses	(26,949)
Other	2
Net change in plan fiduciary net position	272,059
Plan fiduciary net position - beginning	2,288,260
Plan fiduciary net position - ending (b)	\$ 2,560,319
 County's net pension liability - ending (a) - (b)	\$ 1,071,746
 Plan fiduciary net position as a percentage of the total pension liability	70.5%
 Covered-employee payroll	\$ 5,086,023
 County's net pension liability as a percentage of covered employee payroll	21.1%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

LUMPKIN COUNTY, GEORGIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COUNTY CONTRIBUTIONS FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
Actuarially determined contribution	\$ 249,652	\$ 247,977
Contributions in relation to the actuarially determined contribution	289,822	247,977
Contribution deficiency (excess)	\$ (40,170)	\$ -
Covered-employee payroll	5,319,203	5,086,023
Contributions as a percentage of Covered-employee payroll	4.7%	4.9%

Notes to the Schedule

Valuation Date	January 1, 2014
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period.
Assumed Rate of Return	
On Investments	7.50%
Projected Salary Increases	2.50% - 5.00% (including 3.00% for inflation)
Cost-of-living Adjustment	N/A
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

The schedule will present 10 years of information once it is accumulated.

LUMPKIN COUNTY, GEORGIA

COMPONENT UNIT - LUMPKIN COUNTY BOARD OF HEALTH REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY EMPLOYEES' RETIREMENT SYSTEM

	<u>2015</u>
Employer's proportion of the net pension liability	0.013491%
Employer's proportionate share of the net pension liability	\$ 505,996
Employer's covered payroll during the measurement period	\$ 333,037
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	151.93%
Plan fiduciary net position as a percentage of the total pension liability	77.99%

Notes to the Schedule

The schedule above is intended to show information for 10 years. Additional years will be displayed as they become available.

LUMPKIN COUNTY, GEORGIA

**COMPONENT UNIT - LUMPKIN COUNTY BOARD OF HEALTH
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS**

	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 45,042	\$ 43,671	\$ 41,051	\$ 39,403	\$ 41,657	\$ 46,020	\$ 67,467	\$ 72,064
Contributions in relation to the actuarially determined contribution	45,042	43,671	41,051	39,403	41,657	46,020	67,467	72,064
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered-employee payroll	432,029	410,117	393,989	377,720	359,996	325,535	333,037	340,021
Contributions as a percentage of Covered-employee payroll	10.4%	10.6%	10.4%	10.4%	11.6%	14.1%	20.3%	21.2%

(Historical information prior to the implementation of GASB 67/68 is not required)

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.

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 Sheriff's 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.

Local Roads Fund - to account for Local Maintenance and Improvement Grant (LMIG) funds received from the Georgia Department of Transportation to fund maintenance of and improvements to the County's roads.

Community Development Block Grant Fund - to account for CDBG grant funds received and the related expenditures for the Lumpkin County Water & Sewer Authority expansion project.

LUMPKIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Special Revenue Funds						
	Drug Rehabilitation Fund	Law Library Fund	Emergency Telephone System Fund	Juvenile Services Fund	Confiscated Assets Fund	Special Programs Fund	Public Defender Fund
ASSETS							
Cash and cash equivalents	\$ 3,360	\$ 59,722	\$ -	\$ -	\$ 5,714	\$ 35,966	\$ 57,993
Receivables, net of allowance for uncollectibles	1,556	-	94,027	-	-	2,216	-
Due from other funds	70,525	-	6,496	9,715	-	-	-
Prepaid items	-	-	12,888	-	-	-	26,562
Total assets	\$ 75,441	\$ 59,722	\$ 113,411	\$ 9,715	\$ 5,714	\$ 38,182	\$ 84,555
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 15,890	\$ -	\$ -	\$ 563	\$ 2,637
Due to other funds	-	495	-	-	-	23	302
Total liabilities	-	495	15,890	-	-	586	2,939
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	-	-	-	-	-
Unearned revenue - property taxes	-	-	-	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-	-	-
Unearned revenue - intergovernmental	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
FUND BALANCES (DEFICIT)							
Nonspendable:							
Prepaid items	-	-	12,888	-	-	-	26,562
Restricted for:							
Public safety activities	75,441	-	84,633	-	5,714	37,596	-
Law library operations	-	59,227	-	-	-	-	-
Judicial activities	-	-	-	9,715	-	-	55,054
Tourism	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	75,441	59,227	97,521	9,715	5,714	37,596	81,616
Total liabilities, deferred inflows of resources, and fund balances	\$ 75,441	\$ 59,722	\$ 113,411	\$ 9,715	\$ 5,714	\$ 38,182	\$ 84,555

								Capital Projects Funds			
Technology Fee Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Planning Fund	Capital Projects Fund	Local Roads Fund	Community Development Block Grant Fund	Total Nonmajor Governmental Funds				
\$ 17,702	\$ -	\$ 37,537	\$ 74,502	\$ -	\$ 391,523	\$ 1,000	\$ 685,019				
-	162,821	11,883	21,122	-	-	5,449	299,074				
13,406	-	-	399	-	-	-	100,541				
-	-	-	441	-	-	-	39,891				
<u>\$ 31,108</u>	<u>\$ 162,821</u>	<u>\$ 49,420</u>	<u>\$ 96,464</u>	<u>\$ -</u>	<u>\$ 391,523</u>	<u>\$ 6,449</u>	<u>\$ 1,124,525</u>				
\$ 448	\$ 24,766	\$ 44,306	\$ 3,204	\$ 11,701	\$ -	\$ 2,847	\$ 106,362				
216	-	3,236	-	-	1,000	3,320	8,592				
<u>664</u>	<u>24,766</u>	<u>47,542</u>	<u>3,204</u>	<u>11,701</u>	<u>1,000</u>	<u>6,167</u>	<u>114,954</u>				
-	-	-	6,883	-	-	-	6,883				
-	-	-	101,564	-	-	-	101,564				
-	57,382	-	-	-	-	4,206	61,588				
-	-	-	-	-	390,523	-	390,523				
-	<u>57,382</u>	<u>-</u>	<u>108,447</u>	<u>-</u>	<u>390,523</u>	<u>4,206</u>	<u>560,558</u>				
-	-	-	441	-	-	-	39,891				
-	-	-	-	-	-	-	203,384				
-	-	-	-	-	-	-	59,227				
30,444	80,673	-	-	-	-	-	175,886				
-	-	1,878	-	-	-	-	1,878				
-	-	-	(15,628)	(11,701)	-	(3,924)	(31,253)				
<u>30,444</u>	<u>80,673</u>	<u>1,878</u>	<u>(15,187)</u>	<u>(11,701)</u>	<u>-</u>	<u>(3,924)</u>	<u>449,013</u>				
<u>\$ 31,108</u>	<u>\$ 162,821</u>	<u>\$ 49,420</u>	<u>\$ 96,464</u>	<u>\$ -</u>	<u>\$ 391,523</u>	<u>\$ 6,449</u>	<u>\$ 1,124,525</u>				

LUMPKIN COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2015

	Special Revenue Funds						
	Drug Rehabilitation Fund	Law Library Fund	Emergency Telephone System Fund	Juvenile Services Fund	Confiscated Assets Fund	Special Programs Fund	Public Defender Fund
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Fines and forfeitures	66,446	19,499	-	-	7,654	-	-
Charges for services	-	-	522,621	1,523	-	30,385	-
Interest income	-	-	-	-	10	16	103
Intergovernmental	-	-	-	-	-	-	247,745
Contributions and donations	-	-	-	-	-	42,528	-
Other revenues	-	-	-	-	-	-	-
Total revenues	66,446	19,499	522,621	1,523	7,664	72,929	247,848
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Judicial	25,000	15,903	-	-	-	-	353,495
Public safety	3,979	-	704,830	-	11,719	55,778	-
Public works	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	28,979	15,903	704,830	-	11,719	55,778	353,495
Excess (deficiency) of revenues over expenditures	37,467	3,596	(182,209)	1,523	(4,055)	17,151	(105,647)
Other financing sources (uses):							
Transfers in	-	-	170,628	-	-	-	116,152
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	170,628	-	-	-	116,152
Net change in fund balances	37,467	3,596	(11,581)	1,523	(4,055)	17,151	10,505
Fund balances (deficit), beginning of year	37,974	55,631	109,102	8,192	9,769	20,445	71,111
Fund balances (deficit), end of year	\$ 75,441	\$ 59,227	\$ 97,521	\$ 9,715	\$ 5,714	\$ 37,596	\$ 81,616

Capital Projects Funds							
Technology Fee Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Planning Fund	Capital Projects Fund	Local Roads Fund	Community Development Block Grant Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 147,296	\$ 103,083	\$ -	\$ -	\$ -	\$ 250,379
-	-	-	132,611	-	-	-	132,611
-	-	-	-	-	-	-	93,599
17,389	-	-	7,183	-	-	-	579,101
-	-	47	127	-	-	-	303
-	361,740	-	-	458,910	393,041	-	1,461,436
-	-	-	-	-	-	-	42,528
-	12,703	-	-	-	-	-	12,703
<u>17,389</u>	<u>374,443</u>	<u>147,343</u>	<u>243,004</u>	<u>458,910</u>	<u>393,041</u>	<u>-</u>	<u>2,572,660</u>
-	2,514	-	-	-	-	-	2,514
36,449	341,328	-	-	15,447	-	-	787,622
-	64,392	-	-	-	-	-	840,698
-	6,600	-	-	210,700	-	3,924	221,224
-	-	141,961	247,932	-	-	-	389,893
-	-	-	-	1,533,181	-	-	1,533,181
<u>36,449</u>	<u>414,834</u>	<u>141,961</u>	<u>247,932</u>	<u>1,759,328</u>	<u>-</u>	<u>3,924</u>	<u>3,775,132</u>
(19,060)	(40,391)	5,382	(4,928)	(1,300,418)	393,041	(3,924)	(1,202,472)
-	125,244	-	-	1,278,051	-	-	1,690,075
(6,915)	-	(4,391)	-	-	(393,041)	-	(404,347)
<u>(6,915)</u>	<u>125,244</u>	<u>(4,391)</u>	<u>-</u>	<u>1,278,051</u>	<u>(393,041)</u>	<u>-</u>	<u>1,285,728</u>
(25,975)	84,853	991	(4,928)	(22,367)	-	(3,924)	83,256
56,419	(4,180)	887	(10,259)	10,666	-	-	365,757
<u>\$ 30,444</u>	<u>\$ 80,673</u>	<u>\$ 1,878</u>	<u>\$ (15,187)</u>	<u>\$ (11,701)</u>	<u>\$ -</u>	<u>\$ (3,924)</u>	<u>\$ 449,013</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 34,600	\$ 35,000	\$ 66,446	\$ 31,446
Total revenues	<u>34,600</u>	<u>35,000</u>	<u>66,446</u>	<u>31,446</u>
Expenditures:				
Current:				
Judicial	24,600	24,600	25,000	(400)
Public safety	10,000	10,400	3,979	6,421
Total expenditures	<u>34,600</u>	<u>35,000</u>	<u>28,979</u>	<u>6,021</u>
Net changes in fund balances	-	-	37,467	37,467
Fund balances, beginning of year	<u>37,974</u>	<u>37,974</u>	<u>37,974</u>	<u>-</u>
Fund balances, end of year	<u>\$ 37,974</u>	<u>\$ 37,974</u>	<u>\$ 75,441</u>	<u>\$ 37,467</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, 2015**

	<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	\$ 19,499	\$ 4,499
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>19,499</u>	<u>4,499</u>
Expenditures:				
Current:				
Judicial	30,000	30,000	15,903	14,097
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>15,903</u>	<u>14,097</u>
Net changes in fund balances	(15,000)	(15,000)	3,596	18,596
Fund balances, beginning of year	<u>55,631</u>	<u>55,631</u>	<u>55,631</u>	<u>-</u>
Fund balances, end of year	<u>\$ 40,631</u>	<u>\$ 40,631</u>	<u>\$ 59,227</u>	<u>\$ 18,596</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 512,050	\$ 512,050	\$ 522,621	\$ 10,571
Total revenues	<u>512,050</u>	<u>512,050</u>	<u>522,621</u>	<u>10,571</u>
Expenditures:				
Current:				
Public safety	672,804	850,657	704,830	145,827
Total expenditures	<u>672,804</u>	<u>850,657</u>	<u>704,830</u>	<u>145,827</u>
Deficiency of revenues over expenditures	<u>(160,754)</u>	<u>(338,607)</u>	<u>(182,209)</u>	<u>156,398</u>
Other financing sources:				
Transfers in	160,754	338,607	170,628	(167,979)
Total other financing sources	<u>160,754</u>	<u>338,607</u>	<u>170,628</u>	<u>(167,979)</u>
Net changes in fund balances	-	-	(11,581)	(11,581)
Fund balances, beginning of year	<u>109,102</u>	<u>109,102</u>	<u>109,102</u>	<u>-</u>
Fund balances, end of year	<u>\$ 109,102</u>	<u>\$ 109,102</u>	<u>\$ 97,521</u>	<u>\$ (11,581)</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 500	\$ 500	\$ 1,523	\$ 1,023
Total revenues	<u>500</u>	<u>500</u>	<u>1,523</u>	<u>1,023</u>
Expenditures:				
Current:				
Judicial	1,750	1,750	-	1,750
Total expenditures	<u>1,750</u>	<u>1,750</u>	<u>-</u>	<u>1,750</u>
Net changes in fund balances	(1,250)	(1,250)	1,523	2,773
Fund balances, beginning of year	<u>8,192</u>	<u>8,192</u>	<u>8,192</u>	<u>-</u>
Fund balances, end of year	<u>\$ 6,942</u>	<u>\$ 6,942</u>	<u>\$ 9,715</u>	<u>\$ 2,773</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 7,654	\$ 2,654
Interest income	-	-	10	10
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>7,664</u>	<u>2,664</u>
Expenditures:				
Current:				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>11,719</u>	<u>(6,719)</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>11,719</u>	<u>(6,719)</u>
Net changes in fund balances	-	-	(4,055)	(4,055)
Fund balances, beginning of year	<u>9,769</u>	<u>9,769</u>	<u>9,769</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 9,769</u></u>	<u><u>\$ 9,769</u></u>	<u><u>\$ 5,714</u></u>	<u><u>\$ (4,055)</u></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, 2015**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 6,500	\$ 30,500	\$ 30,385	\$ (115)
Interest income	-	-	16	16
Contributions and donations	12,000	20,685	42,528	21,843
Total revenues	<u>18,500</u>	<u>51,185</u>	<u>72,929</u>	<u>21,744</u>
Expenditures:				
Current:				
Public safety	18,500	51,185	55,778	(4,593)
Total expenditures	<u>18,500</u>	<u>51,185</u>	<u>55,778</u>	<u>(4,593)</u>
Net changes in fund balances	-	-	17,151	17,151
Fund balances, beginning of year	<u>20,445</u>	<u>20,445</u>	<u>20,445</u>	<u>-</u>
Fund balances, end of year	<u>\$ 20,445</u>	<u>\$ 20,445</u>	<u>\$ 37,596</u>	<u>\$ 17,151</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 250,746	\$ 250,746	\$ 247,745	\$ (3,001)
Interest income	-	-	103	103
Total revenues	<u>250,746</u>	<u>250,746</u>	<u>247,848</u>	<u>(2,898)</u>
Expenditures:				
Current:				
Judicial	366,898	366,898	353,495	13,403
Total expenditures	<u>366,898</u>	<u>366,898</u>	<u>353,495</u>	<u>13,403</u>
Deficiency of revenues over expenditures	<u>(116,152)</u>	<u>(116,152)</u>	<u>(105,647)</u>	<u>10,505</u>
Other financing sources:				
Transfers in	116,152	116,152	116,152	-
Total other financing sources	<u>116,152</u>	<u>116,152</u>	<u>116,152</u>	<u>-</u>
Net changes in fund balances	-	-	10,505	10,505
Fund balances, beginning of year	<u>71,111</u>	<u>71,111</u>	<u>71,111</u>	<u>-</u>
Fund balances, end of year	<u>\$ 71,111</u>	<u>\$ 71,111</u>	<u>\$ 81,616</u>	<u>\$ 10,505</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 18,000	\$ 18,000	\$ 17,389	\$ (611)
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>17,389</u>	<u>(611)</u>
Expenditures:				
Current:				
Judicial	18,000	18,000	36,449	(18,449)
Total expenditures	<u>18,000</u>	<u>18,000</u>	<u>36,449</u>	<u>(18,449)</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(19,060)</u>	<u>(19,060)</u>
Other financing uses:				
Transfers out	-	-	(6,915)	(6,915)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(6,915)</u>	<u>(6,915)</u>
Net changes in fund balances	-	-	(25,975)	(25,975)
Fund balances, beginning of year	<u>56,419</u>	<u>56,419</u>	<u>56,419</u>	<u>-</u>
Fund balances, end of year	<u>\$ 56,419</u>	<u>\$ 56,419</u>	<u>\$ 30,444</u>	<u>\$ (25,975)</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 254,815	\$ 267,315	\$ 361,740	\$ 94,425
Miscellaneous	37,041	37,041	12,703	(24,338)
Total revenues	<u>291,856</u>	<u>304,356</u>	<u>374,443</u>	<u>70,087</u>
Expenditures:				
Current:				
General government	53,000	53,000	2,514	50,486
Judicial	295,880	295,880	341,328	(45,448)
Public safety	6,234	67,211	64,392	2,819
Public works	-	3,100	6,600	(3,500)
Total expenditures	<u>355,114</u>	<u>419,191</u>	<u>414,834</u>	<u>4,357</u>
Deficiency of revenues over expenditures	<u>(63,258)</u>	<u>(114,835)</u>	<u>(40,391)</u>	<u>74,444</u>
Other financing sources:				
Transfers in	63,258	114,835	125,244	10,409
Total other financing sources	<u>63,258</u>	<u>114,835</u>	<u>125,244</u>	<u>10,409</u>
Net changes in fund balances	-	-	84,853	84,853
Fund deficits, beginning of year	<u>(4,180)</u>	<u>(4,180)</u>	<u>(4,180)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (4,180)</u>	<u>\$ (4,180)</u>	<u>\$ 80,673</u>	<u>\$ 84,853</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Hotel/Motel taxes	\$ 125,900	\$ 125,900	\$ 147,296	\$ 21,396
Interest	100	100	47	(53)
Total revenues	<u>126,000</u>	<u>126,000</u>	<u>147,343</u>	<u>21,343</u>
Expenditures:				
Current:				
Housing and development	122,000	122,000	141,961	(19,961)
Total expenditures	<u>122,000</u>	<u>122,000</u>	<u>141,961</u>	<u>(19,961)</u>
Excess of revenues over expenditures	<u>4,000</u>	<u>4,000</u>	<u>5,382</u>	<u>1,382</u>
Other financing uses:				
Transfers out	(4,000)	(4,000)	(4,391)	(391)
Total other financing uses	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,391)</u>	<u>(391)</u>
Net changes in fund balances	-	-	991	991
Fund balances, beginning of year	<u>887</u>	<u>887</u>	<u>887</u>	<u>-</u>
Fund balances, end of year	<u>\$ 887</u>	<u>\$ 887</u>	<u>\$ 1,878</u>	<u>\$ 991</u>

**LUMPKIN COUNTY, GEORGIA
PLANNING FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 104,272	\$ 104,272	\$ 103,083	\$ (1,189)
Licenses and permits	120,500	130,613	132,611	1,998
Charges for services	4,000	4,000	7,183	3,183
Interest income	200	200	127	(73)
Total revenues	<u>228,972</u>	<u>239,085</u>	<u>243,004</u>	<u>3,919</u>
Expenditures:				
Current:				
Housing and development	<u>228,972</u>	<u>239,085</u>	<u>247,932</u>	<u>(8,847)</u>
Total expenditures	<u>228,972</u>	<u>239,085</u>	<u>247,932</u>	<u>(8,847)</u>
Net changes in fund balances	-	-	(4,928)	(4,928)
Fund deficits, beginning of year	<u>(10,259)</u>	<u>(10,259)</u>	<u>(10,259)</u>	<u>-</u>
Fund deficits, end of year	<u>\$ (10,259)</u>	<u>\$ (10,259)</u>	<u>\$ (15,187)</u>	<u>\$ (4,928)</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 196,150	\$ 196,150	\$ 197,795	\$ 1,645
Investment income	201,350	201,350	23,619	(177,731)
Total revenues	<u>397,500</u>	<u>397,500</u>	<u>221,414</u>	<u>(176,086)</u>
Expenditures:				
Debt service:				
Principal	633,406	633,406	633,406	-
Interest	195,300	195,300	195,300	-
Total expenditures	<u>828,706</u>	<u>828,706</u>	<u>828,706</u>	<u>-</u>
Net change in fund balances	(431,206)	(431,206)	(607,292)	(176,086)
Fund balances, beginning of year	<u>3,927,632</u>	<u>3,927,632</u>	<u>3,927,632</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,496,426</u>	<u>\$ 3,496,426</u>	<u>\$ 3,320,340</u>	<u>\$ (176,086)</u>

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2015

Project	Estimated Cost		Expenditures		Total
	Original	Current	Prior Years	Current Year	
2003 SPLOST					
Debt service - Public Building Authority	\$ 15,750,000	\$ 20,202,939	\$ 18,328,905	\$ 623,543	\$ 18,952,448
2008 SPLOST					
Judicial Facilities	\$ 14,000,000	\$ 6,859,839	\$ 6,859,839	\$ -	\$ 6,859,839
Water & Sewer Infrastructure Expansion	4,000,000	308,235	304,235	4,000	308,235
Library Facilities	4,000,000	322,784	322,784	-	322,784
Roads & Bridges	3,000,000	2,978,493	2,978,493	-	2,978,493
Administrative Facilities	1,000,000	2,281,440	2,281,440	-	2,281,440
Public Safety Vehicles	1,376,000	1,433,437	1,322,285	111,152	1,433,437
Park & Recreation Facilities	1,000,000	1,115,265	1,115,265	-	1,115,265
Industrial Development Property	1,000,000	110,769	110,769	-	110,769
Fire Protection Facilities	600,000	123,474	123,474	-	123,474
Public Warning System	250,000	139,728	139,728	-	139,728
Public Works Equipment	250,000	188,172	188,172	-	188,172
E911 Equipment	240,000	213,754	213,754	-	213,754
City of Dahlonega Water Treatment Facilities	4,284,000	3,107,228	3,107,228	-	3,107,228
Total 2008 SPLOST	<u>\$ 35,000,000</u>	<u>\$ 19,182,618</u>	<u>\$ 19,067,466</u>	<u>\$ 115,152</u>	<u>\$ 19,182,618</u>
2014 SPLOST					
Lease Payments	\$ 5,100,000	\$ 5,100,000	\$ 788,529	\$ 786,528	\$ 1,575,057
Administration Facility Improvements	1,200,000	1,200,000	-	-	-
Public Facility Renovations/Vehicles	300,000	300,000	-	46,866	46,866
Animal Shelter Equipment/Facilities, and Vehicles	75,000	75,000	-	24,351	24,351
Clerk of Court Archives Upgrade	20,000	20,000	-	20,000	20,000
Economic Development	500,000	500,000	-	500,000	500,000
Board of Elections Upgrades	40,000	40,000	-	-	-
Emergency Services Equipment/Vehicles, Facility Renovations/Additions	1,485,000	1,485,000	-	99,342	99,342
Roads and Bridges Equipment, Vehicles, Resurfacing, Improvements	4,270,000	4,270,000	-	370,879	370,879
Lumpkin Co. Library	1,000,000	1,000,000	-	-	-
Recreation Equipment/Vehicles/Facilities	1,000,000	1,000,000	-	188,626	188,626
Senior Center Facilities	50,000	50,000	-	-	-
Sheriff's Department Equipment and Vehicles	360,000	360,000	-	104,002	104,002
Water Authority System Improvements	500,000	500,000	-	42,645	42,645
City of Dahlonega	3,000,000	3,000,000	374,942	508,592	883,534
Total 2014 SPLOST	<u>\$ 18,900,000</u>	<u>\$ 18,900,000</u>	<u>\$ 1,163,471</u>	<u>\$ 2,691,831</u>	<u>\$ 3,855,302</u>
2003 SPLOST Expenditures disbursed from Debt Service Fund				<u>\$ 623,543</u>	
Non-SPLOST expenditures*					
*Lumpkin County uses Intergovernmental Revenues as well as contributions from other parties to expand our SPLOST projects. Contributions to the SPLOST Projects are as follows:					
Transfers in from other funds to offset project costs				483,157	
Donations from other parties				600	
Intergovernmental revenues				<u>200,000</u>	
Total non-SPLOST expenditures				<u>683,757</u>	
Total SPLOST Fund Expenditures				<u>\$ 3,490,740</u>	

Note: The balances of expenditures reported in prior years have been corrected to appropriately reflect the actual balances of SPLOST funds expended in accordance with the voter approved referendums.

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, 2015**

<u>ASSETS</u>	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total
Cash	\$ 957,691	\$ 26,140	\$ 387,359	\$ 19,578	\$ 392	\$ 1,391,160
Taxes receivable	2,339,513	-	-	-	-	2,339,513
Accounts receivable	-	21,291	-	-	-	21,291
Total assets	<u>\$ 3,297,204</u>	<u>\$ 47,431</u>	<u>\$ 387,359</u>	<u>\$ 19,578</u>	<u>\$ 392</u>	<u>\$ 3,751,964</u>
<u>LIABILITIES</u>						
Due to others	\$ 957,691	\$ 47,431	\$ 387,359	\$ 19,578	\$ 392	\$ 1,412,451
Uncollected taxes	2,339,513	-	-	-	-	2,339,513
Total liabilities	<u>\$ 3,297,204</u>	<u>\$ 47,431</u>	<u>\$ 387,359</u>	<u>\$ 19,578</u>	<u>\$ 392</u>	<u>\$ 3,751,964</u>

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance January 1, 2015	Increases	Decreases	Balance December 31, 2015
<u>Tax Commissioner</u>				
ASSETS				
Cash	\$ 735,407	\$ 29,065,261	\$ (28,842,977)	\$ 957,691
Taxes receivable	2,351,833	13,510,044	(13,522,364)	2,339,513
Total assets	\$ 3,087,240	\$ 42,575,305	\$ (42,365,341)	\$ 3,297,204
LIABILITIES				
Due to others	\$ 735,407	\$ 29,065,261	\$ (28,842,977)	\$ 957,691
Uncollected taxes	2,351,833	13,510,044	(13,522,364)	2,339,513
Total liabilities	\$ 3,087,240	\$ 42,575,305	\$ (42,365,341)	\$ 3,297,204
<u>Sheriff</u>				
ASSETS				
Cash	\$ 19,786	\$ 183,854	\$ (177,500)	\$ 26,140
Accounts receivable	20,640	21,291	(20,640)	21,291
Total assets	\$ 40,426	\$ 205,145	\$ (198,140)	\$ 47,431
LIABILITIES				
Due to others	\$ 40,426	\$ 205,145	\$ (198,140)	\$ 47,431
Total liabilities	\$ 40,426	\$ 205,145	\$ (198,140)	\$ 47,431
<u>Clerk of Courts</u>				
ASSETS				
Cash	\$ 193,460	\$ 1,534,139	\$ (1,340,240)	\$ 387,359
Total assets	\$ 193,460	\$ 1,534,139	\$ (1,340,240)	\$ 387,359
LIABILITIES				
Due to others	\$ 193,460	\$ 1,534,139	\$ (1,340,240)	\$ 387,359
Total liabilities	\$ 193,460	\$ 1,534,139	\$ (1,340,240)	\$ 387,359

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance January 1, 2015	Increases	Decreases	Balance December 31, 2015
<u>Probate Court</u>				
ASSETS				
Cash	\$ 22,081	\$ 505,755	\$ (508,258)	\$ 19,578
Total assets	\$ 22,081	\$ 505,755	\$ (508,258)	\$ 19,578
LIABILITIES				
Due to others	\$ 22,081	\$ 505,755	\$ (508,258)	\$ 19,578
Total liabilities	\$ 22,081	\$ 505,755	\$ (508,258)	\$ 19,578
<u>Magistrate Court</u>				
ASSETS				
Cash	\$ 128	\$ 15,150	\$ (14,886)	\$ 392
Total assets	\$ 128	\$ 15,150	\$ (14,886)	\$ 392
LIABILITIES				
Due to others	\$ 128	\$ 15,150	\$ (14,886)	\$ 392
Total liabilities	\$ 128	\$ 15,150	\$ (14,886)	\$ 392
<u>Total Agency Funds</u>				
ASSETS				
Cash	\$ 970,862	\$ 31,304,159	\$ (30,883,861)	\$ 1,391,160
Taxes receivable	2,351,833	13,510,044	(13,522,364)	2,339,513
Accounts receivable	20,640	21,291	(20,640)	21,291
Total assets	\$ 3,343,335	\$ 44,835,494	\$ (44,426,865)	\$ 3,751,964
LIABILITIES				
Due to others	\$ 991,502	\$ 31,325,450	\$ (30,904,501)	\$ 1,412,451
Uncollected taxes	2,351,833	13,510,044	(13,522,364)	2,339,513
Total liabilities	\$ 3,343,335	\$ 44,835,494	\$ (44,426,865)	\$ 3,751,964

COMPONENT UNIT – HOSPITAL AUTHORITY

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CASH FLOWS COMPONENT UNIT - HOSPITAL AUTHORITY FOR THE YEAR ENDED DECEMBER 31, 2015

	Hospital Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	\$ (69,633)
Net cash used in operating activities	<u>(69,633)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>44,106</u>
Net cash provided by investing activities	<u>44,106</u>
Net decrease in cash and cash equivalents	(25,527)
Cash and cash equivalents:	
Beginning of year	<u>284,259</u>
End of year	<u><u>\$ 258,732</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	<u>\$ (69,633)</u>
Net cash used in operating activities	<u><u>\$ (69,633)</u></u>
NON-CASH INVESTING ACTIVITIES	
Unrealized loss on investments	<u><u>\$ (16,805)</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> 98 - 104
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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.....	105 - 109
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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.....	110 - 113
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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	114 and 115
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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.....	116 - 118
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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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities										
Net investment in capital assets	\$ 64,707	\$ 62,155	\$ 60,580	\$ 59,032	\$ 56,295	\$ 55,355	\$ 52,684	\$ 49,322	\$ 49,013	\$ 45,080
Restricted	6,103	6,115	6,628	7,765	9,352	9,243	11,484	11,484	11,783	9,734
Unrestricted	5,824	7,350	7,889	6,853	7,226	6,744	5,583	5,627	3,489	5,757
Total governmental activities net position	<u>\$ 76,633</u>	<u>\$ 75,620</u>	<u>\$ 75,097</u>	<u>\$ 73,650</u>	<u>\$ 72,873</u>	<u>\$ 71,342</u>	<u>\$ 69,751</u>	<u>\$ 66,433</u>	<u>\$ 64,285</u>	<u>\$ 60,571</u>
Business-type activities										
Net investment in capital assets	\$ 625	\$ 648	\$ 694	\$ 694	\$ 709	\$ 735	\$ 762	\$ 798	\$ 834	\$ 870
Unrestricted	(400)	(416)	(457)	(457)	(492)	(506)	(407)	(419)	(440)	(430)
Total business-type activities net position	<u>\$ 225</u>	<u>\$ 232</u>	<u>\$ 237</u>	<u>\$ 237</u>	<u>\$ 217</u>	<u>\$ 229</u>	<u>\$ 355</u>	<u>\$ 379</u>	<u>\$ 394</u>	<u>\$ 440</u>
Primary government										
Net investment in capital assets	\$ 65,332	\$ 62,803	\$ 61,274	\$ 59,726	\$ 57,004	\$ 56,090	\$ 53,446	\$ 50,120	\$ 49,847	\$ 45,950
Restricted	6,103	6,115	6,628	7,765	9,352	9,243	11,484	11,484	11,783	9,734
Unrestricted	5,423	6,934	7,432	6,396	6,734	6,238	5,176	5,208	3,049	5,327
Total primary government net position	<u>\$ 76,858</u>	<u>\$ 75,852</u>	<u>\$ 75,334</u>	<u>\$ 73,887</u>	<u>\$ 73,090</u>	<u>\$ 71,571</u>	<u>\$ 70,106</u>	<u>\$ 66,812</u>	<u>\$ 64,679</u>	<u>\$ 61,011</u>
Restatements	\$ -	\$ (1,039)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total primary government net position, after restatements	<u>\$ 76,858</u>	<u>\$ 74,813</u>	<u>\$ 75,334</u>	<u>\$ 73,887</u>	<u>\$ 73,090</u>	<u>\$ 71,571</u>	<u>\$ 70,106</u>	<u>\$ 66,812</u>	<u>\$ 64,679</u>	<u>\$ 61,011</u>

LUMPKIN COUNTY, GEORGIA

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General government	\$ 4,358	\$ 3,900	\$ 3,964	\$ 3,714	\$ 3,144	\$ 3,210	\$ 2,843	\$ 3,437	\$ 2,742	\$ 2,589
Judicial system	2,262	2,372	2,119	2,375	2,673	2,585	2,403	2,476	2,409	2,097
Public safety	9,474	9,691	9,151	9,235	8,965	9,004	7,958	9,260	7,845	7,326
Public works	2,723	2,960	2,688	2,472	2,614	2,604	2,450	1,182	2,489	2,275
Health and welfare	723	666	628	589	595	613	654	1,045	556	451
Culture and recreation	1,363	1,336	1,235	955	1,014	1,334	1,336	1,450	1,413	1,343
Housing and development	962	412	432	426	421	424	458	705	629	923
Interest on long-term debt	470	519	473	863	917	998	750	1,064	819	883
Total governmental activities expenses	<u>22,336</u>	<u>21,857</u>	<u>20,690</u>	<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>
Business-type activities:										
Solid Waste	123	100	109	134	94	225	119	133	143	93
Total business-type activities expenses	<u>123</u>	<u>100</u>	<u>109</u>	<u>134</u>	<u>94</u>	<u>225</u>	<u>119</u>	<u>133</u>	<u>143</u>	<u>93</u>
Total primary government expenses	<u>\$ 22,459</u>	<u>\$ 21,956</u>	<u>\$ 20,799</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 781	\$ 764	\$ 778	\$ 1,072	\$ 1,018	\$ 1,177	\$ 895	\$ 1,278	\$ 1,242	\$ 869
Judicial system	1,026	1,000	1,001	619	675	771	682	726	603	764
Public safety	2,234	2,184	2,013	1,974	2,423	1,921	2,030	1,172	1,660	1,601
Public works	2	1	1	30	51	53	49	1	4	9
Health and welfare	23	27	40	58	42	52	2	20	27	15
Culture and recreation	234	232	231	-	22	216	262	318	283	366
Housing and development	140	126	122	109	77	96	120	240	59	580
Operating grants and contributions	1,296	1,147	977	1,287	1,555	1,567	1,276	1,541	885	738
Capital grants and contributions	1,830	426	748	583	17	54	202	194	1,800	2,451
Total governmental activities program revenues	<u>7,568</u>	<u>5,907</u>	<u>5,911</u>	<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>
Business-type activities:										
Charges for services:										
Solid waste	35	32	45	115	15	15	20	61	43	33
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	13	-	-	-	-	-	-
Total business-type activities program revenues	<u>35</u>	<u>32</u>	<u>45</u>	<u>128</u>	<u>15</u>	<u>15</u>	<u>20</u>	<u>61</u>	<u>43</u>	<u>33</u>
Total primary government program revenues	<u>\$ 7,603</u>	<u>\$ 5,939</u>	<u>\$ 5,956</u>	<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>
Net (expense)/revenue										
Governmental activities	\$ (14,768)	\$ (15,949)	\$ (14,779)	\$ (14,897)	\$ (14,463)	\$ (14,865)	\$ (13,334)	\$ (15,129)	\$ (12,339)	\$ (10,494)
Business-type activities	(88)	(68)	(64)	(6)	(79)	(210)	(99)	(72)	(100)	(60)
Total primary government net expense	<u>\$ (14,856)</u>	<u>\$ (16,017)</u>	<u>\$ (14,843)</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 9,334	\$ 9,595	\$ 9,553	\$ 8,818	\$ 9,047	\$ 9,850	\$ 9,841	\$ 9,708	\$ 7,976	\$ 7,251
Sales taxes	5,756	5,468	5,191	5,471	5,358	5,195	5,324	5,777	6,276	6,105
Insurance premium taxes	1,298	1,212	1,148	1,105	1,034	828	852	864	844	802
Other taxes	229	230	222	188	227	219	185	223	204	691
Unrestricted investment earnings	35	45	161	318	394	448	511	732	749	569
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	331
Gain on sale of capital assets	-	-	-	-	-	-	14	30	-	32
Transfers	(81)	(79)	(48)	(26)	(66)	(84)	(76)	(57)	(54)	27
Total governmental activities	<u>16,571</u>	<u>16,471</u>	<u>16,227</u>	<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>
Business-type activities:										
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	81	79	48	26	66	84	75	57	54	(27)
Total business-type activities	<u>81</u>	<u>79</u>	<u>48</u>	<u>26</u>	<u>66</u>	<u>84</u>	<u>75</u>	<u>57</u>	<u>54</u>	<u>(27)</u>
Total primary government	<u>\$ 16,652</u>	<u>\$ 16,550</u>	<u>\$ 16,275</u>	<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>
Change in Net Position										
Governmental activities	\$ 1,803	\$ 522	\$ 1,448	\$ 977	\$ 1,531	\$ 1,591	\$ 3,317	\$ 2,148	\$ 3,656	\$ 5,314
Business-type activities	(7)	11	(16)	20	(13)	(126)	(24)	(15)	(46)	(87)
Total primary government	<u>\$ 1,796</u>	<u>\$ 533</u>	<u>\$ 1,432</u>	<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>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u> (2)
General fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable:					
Prepaid items	481	678	355	265	255
Inventory	144	129	114	117	86
Assigned:					
Fire station construction	375	375	-	-	-
Equipment purchases	135	621	-	-	-
Unassigned	5,294	5,066	7,178	6,464	6,516
Total general fund	<u>\$ 6,429</u>	<u>\$ 6,869</u>	<u>\$ 7,647</u>	<u>\$ 6,846</u>	<u>\$ 6,857</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds (1)	-	-	-	-	-
Nonspendable:					
Prepaid items	40	80	47	41	35
Restricted for:					
Debt service	3,320	3,928	5,441	6,837	8,073
Capital projects	2,273	1,873	825	432	549
Public safety activities	203	133	148	115	290
Law library operations	59	56	77	114	134
Judicial activities	176	110	119	180	165
Tourism	2	1	1	8	6
Assigned:					
Capital projects	-	11	-	-	-
Unassigned	(31)	(25)	(116)	(204)	(128)
Total all other governmental funds	<u>\$ 6,042</u>	<u>\$ 6,167</u>	<u>\$ 6,542</u>	<u>\$ 7,523</u>	<u>\$ 9,124</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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 449	\$ 296	\$ 329	\$ 463	\$ 493
5,439	4,993	3,550	3,796	4,834
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 5,888</u>	<u>\$ 5,289</u>	<u>\$ 3,879</u>	<u>\$ 4,259</u>	<u>\$ 5,327</u>
\$ 9,297	\$ 10,404	\$ 11,529	\$ 11,830	\$ 9,320
512	314	351	468	454
(320)	524	8,420	(1,107)	122
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 9,489</u>	<u>\$ 11,242</u>	<u>\$ 20,300</u>	<u>\$ 11,191</u>	<u>\$ 9,896</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues					
Taxes	\$ 16,845	\$ 16,440	\$ 16,123	\$ 15,655	\$ 15,557
Licenses and permits	177	163	164	131	112
Fines and forfeitures	657	597	528	577	608
Charges for services	3,362	3,384	3,292	3,026	3,489
Interest income	38	50	163	321	397
Intergovernmental	2,472	1,480	1,492	1,587	1,635
Contributions and donations	64	85	35	85	69
Miscellaneous	289	186	189	118	90
Total revenues	<u>23,903</u>	<u>22,385</u>	<u>21,986</u>	<u>21,500</u>	<u>21,957</u>
Expenditures					
General government	3,463	3,374	3,181	3,175	2,958
Judicial	2,292	2,374	2,117	2,374	2,252
Public safety	9,145	9,184	8,673	8,844	9,013
Public works	1,326	1,281	1,338	1,128	1,194
Health and welfare	696	633	595	554	565
Culture and recreation	1,153	1,124	1,033	760	826
Housing and development	962	415	418	429	409
Intergovernmental	515	775	640	467	574
Capital outlay (1)	3,155	1,651	1,611	2,994	1,115
Debt service					
Principal	1,294	2,135	1,796	1,502	1,440
Interest	440	515	524	856	942
Other charges	-	-	237	-	-
Total expenditures	<u>24,442</u>	<u>23,461</u>	<u>22,163</u>	<u>23,083</u>	<u>21,288</u>
Excess (deficiency) of revenues over (under) expenditures	(539)	(1,076)	(177)	(1,583)	669
Other financing sources (uses)					
Transfers in	2,178	2,100	1,173	966	898
Transfers out	(2,258)	(2,179)	(1,221)	(992)	(964)
Issuance of debt	-	-	9,835	-	-
Premium/discount on issuance of debt	-	-	43	-	-
Refunding payment to escrow agent	-	-	(9,835)	-	-
Sale of capital assets	55	2	-	-	-
Total other financing sources (uses)	<u>(26)</u>	<u>(77)</u>	<u>(5)</u>	<u>(26)</u>	<u>(66)</u>
Net change in fund balances	<u>\$ (565)</u>	<u>\$ (1,153)</u>	<u>\$ (182)</u>	<u>\$ (1,609)</u>	<u>\$ 603</u>
Debt service as a percentage of noncapital expenditures	7.6%	12.2%	12.6%	11.8%	12.1%
Total debt service expenditures	1,734	2,650	2,557	2,358	2,382
Total non-capital expenditures	22,705	21,724	20,306	19,997	19,638

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	16,292	\$ 15,718	\$ 15,908	\$ 15,773	\$ 14,928
	131	147	215	345	475
	660	606	616	513	660
	3,312	3,146	2,753	2,797	3,206
	456	511	732	749	569
	1,665	1,256	1,461	1,136	1,558
	111	222	229	129	229
	183	142	171	224	61
	<u>22,811</u>	<u>21,748</u>	<u>22,085</u>	<u>21,666</u>	<u>21,686</u>
	3,029	2,637	3,232	2,546	2,325
	2,585	2,386	2,470	2,400	1,823
	8,611	7,498	8,229	7,504	6,912
	1,056	1,092	1,331	1,285	1,017
	600	643	641	534	435
	1,138	1,144	1,309	1,297	1,228
	420	440	696	608	906
	504	517	-	-	48
	3,481	10,596	2,672	3,578	1,957
	1,434	1,306	1,378	1,021	901
	1,022	1,100	1,022	860	999
	-	-	270	-	-
	<u>23,881</u>	<u>29,359</u>	<u>23,250</u>	<u>21,633</u>	<u>18,551</u>
	(1,070)	(7,611)	(1,165)	33	3,135
	1,087	829	1,326	2,812	1,586
	(1,171)	(904)	(1,383)	(2,867)	(1,559)
	-	-	10,000	90	254
	-	-	(99)	-	-
	-	-	-	-	-
	-	39	49	-	45
	<u>(84)</u>	<u>(36)</u>	<u>9,893</u>	<u>35</u>	<u>326</u>
\$	<u>(1,154)</u>	<u>(7,647)</u>	<u>8,728</u>	<u>68</u>	<u>3,461</u>
	12.0%	13.2%	13.1%	10.4%	11.4%
	2,456	2,406	2,670	1,881	1,900
	20,401	18,253	20,399	18,055	16,594

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
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
2013	9,562	5,191	1,148	-	157	65	16,123
2014	9,530	5,468	1,212	-	163	67	16,440
2015	9,562	5,756	1,298	-	164	66	16,845

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)
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
2014	2013	570,339,673	141,351,639	340,723,449	23,516,594	69,311,340	6,391,829	22,416,738	254,363
2015	2014	568,141,543	146,902,932	339,058,076	22,366,787	58,347,370	5,710,634	24,653,386	829,628
2016	2015	564,759,204	141,624,453	336,794,733	22,335,968	42,005,610	5,284,439	27,199,054	98,287

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				
\$ 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%
186,227,302	123,313,100	864,765,223	9.121	2,161,913,058	40.00%
189,156,111	128,159,260	848,694,985	9.160	2,121,737,463	40.00%
190,928,919	132,110,874	817,061,955	10.662	2,042,654,888	40.00%

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

Tax Year	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Lumpkin County rates										
Unincorporated	10.662	9.160	9.121	8.962	7.852	7.318	6.947	6.893	6.912	8.346
Incorporated	12.566	10.877	10.743	10.436	8.881	7.907	7.842	7.707	7.724	9.385
Special services (reservoir)	0.310	0.295	0.294	0.289	0.253	0.220	0.191	0.178	0.187	0.226
Special services (planning)	0.171	0.157	0.187	0.184	0.161	0.098	0.409	-	-	-
Municipal rates										
Dahlonega	5.781	4.739	4.739	4.656	4.212	3.988	3.950	3.950	3.959	4.370
Board of Education										
Maintenance & Operations	16.829	16.651	16.540	16.239	14.259	12.800	12.800	11.840	11.860	14.190
State of Georgia	0.050	0.100	0.150	0.200	0.250	0.250	0.250	0.250	0.250	0.250
Total Unincorporated	27.972	26.363	26.292	25.875	22.775	20.686	20.597	19.161	19.209	23.012
Total Incorporated	35.226	32.367	32.163	31.531	27.602	24.945	24.842	23.747	23.793	28.195

Source: Georgia Department of Revenue, Property Tax Division

LUMPKIN COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT AND NINE YEARS AGO

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
KOYO Bearings North America LLC	\$ 11,561,337	1	1.36 %	\$		%
Forestar (USA) Real Estate Group INC.	7,972,301	2	0.94			
Georgia Power Company	6,852,986	3	0.81	4,204,232	6	0.48
Laurel Heights Mobile Homes LLC	5,418,327	4	0.64			
Windstream Standard INC.	4,925,423	5	0.58			
Birch River Chestatee Company LLC	4,080,544	6	0.48			
Amicalola EMC	4,214,014	7	0.50	4,033,065	7	0.46
Dahlonega Group LLC	3,273,238	8	0.39			
HD Development of Maryland INC	3,784,103	9	0.45			
Wal-Mart Stores #2513	2,745,785	10	0.32			
Standard Telephone Co				7,804,054	1	0.89
Torrington Company				7,999,834	2	0.91
Owens Valley Farm LP				6,490,573	3	0.74
Inland Container Corp				4,777,514	4	0.54
Jacony Lindbergh Properties				3,766,292	5	0.43
Sherman & Roberta Green				2,825,163	8	0.32
Southern Health Corp of Dahlonega Inc				2,511,774	9	0.29
Edna A Noblin Estate				3,025,378	10	0.34
	<u>\$ 54,828,058</u>		<u>6.46 %</u>	<u>\$ 47,437,879</u>		<u>5.40 %</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>
2007	2006	\$ 7,762	\$ 6,615	85.22 %	\$ 1,146	\$ 7,761	99.99 %
2008	2007	7,722	2,719	35.21	5,002	7,721	99.99
2009	2008	8,148	6,268	76.93	1,879	8,147	99.99
2010	2009	7,966	6,400	80.34	1,565	7,965	99.99
2011	2010	7,682	6,435	83.77	1,246	7,681	99.99
2012	2011	7,674	6,600	86.00	1,073	7,673	99.99
2013	2012	7,527	6,698	88.99	828	7,526	99.99
2014	2013	7,493	6,475	86.41	820	7,295	97.36
2015	2014	7,487	6,739	90.01	211	6,950	92.83
2016	2015	8,550	7,573	88.57	-	7,573	88.57

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	Revenue Bonds	Notes Payable			
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
2013	-	-	9,520	9,686	19,206	2.26	621
2014	-	-	8,915	8,151	17,066	1.90	547
2015	-	-	8,301	7,467	15,768	1.66	502

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)
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	-	-	-
2013	3,145	3,145	-	-	-
2014	1,740	1,740	-	-	-
2015	1,190	1,190	-	-	-

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt limit	\$ 100,807	\$ 103,785	\$ 105,099	\$ 106,895
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 100,807</u>	<u>\$ 103,785</u>	<u>\$ 105,099</u>	<u>\$ 106,895</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 2015

Assessed value	\$ 817,140
Add back: exempt real property	190,929
Total assessed value	<u>1,008,069</u>
Debt limit (10% of total assessed value)	100,807
Debt applicable to limit:	
General obligation debt	1,190
Less: Amount set aside for repayment of general obligation debt	<u>(1,190)</u>
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 100,807</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 123,027	\$ 143,522	\$ 146,563	\$ 153,591	\$ 146,190	\$ 106,361
-	-	-	-	-	1,500
<u>\$ 123,027</u>	<u>\$ 143,522</u>	<u>\$ 146,563</u>	<u>\$ 153,591</u>	<u>\$ 146,190</u>	<u>\$ 104,861</u>
0%	0%	0%	0%	0%	1%

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>
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
2013	30,918	850,317	27,502	36.0	3,706	7.3
2014	31,176	898,545	28,822	36.1	3,652	6.6
2015	31,408	947,647	30,172	36.6	3,714	5.1

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 2012 AND 2006

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 and subsequent to 2012 is not available

LUMPKIN COUNTY, GEORGIA

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

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government	38	38	34	36	31	32	50	45	57	60
Public safety										
Sheriff										
Officers	59	59	69	62	80	84	72	72	68	65
Civilians	10	10	10	10	20	8	8	8	8	8
Emergency	10	10	9	2	2	2	2	2	-	2
Fire										
Firefighters and officers	36	36	31	36	30	34	31	26	22	2
Civilians	1	1	1	1	11	1	13	11	14	19
Judicial	19	19	19	21	15	24	26	20	20	18
Public works	18	18	18	19	23	17	15	22	22	15
Culture and recreation	16	16	12	4	5	9	6	11	17	19
Housing and development	-	-	-	-	-	1	1	1	1	1
Total	207	207	203	191	217	212	224	218	229	209

Source: County Budget Office

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Function										
Sheriff										
Traffic violations	958	1,257 (3)	2,842	2,534	2,857	3,458	4,072 (2)	N/A	2,992	2,111
Fire										
Number of calls answered	4,308	4,409	4,292	4,055	3,800	3,269	3,244	3,426	3,344	3,141
Inspections conducted	204	168	192	30*	12*	N/A	377	637	1,004 (1)	369
Highways and streets										
Street resurfacing (miles)	14	12	13	15	10	13	6	6	11	23
Sanitation										
Refuse collected (tons/day)	47	40	35	47	42	43	46	45	33	34
Recyclables collected (tons/day)	1	1	1	1.5	1	1	N/A	2	1	1

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.

(3) - The decrease in citations is noted to be the result of increased citizen education.

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

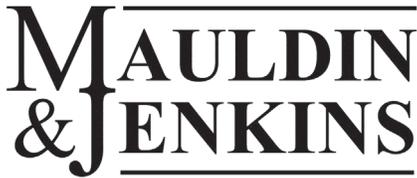
LUMPKIN COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government										
Buildings	16	16	16	16	13	13	13	13	13	13
Vehicles	5	6	6	5	5	5	5	5	5	5
Small equipment	29	27	26	26	25	25	25	25	24	20
Public safety										
Buildings	8	7	7	7	7	7	7	7	6	5
Vehicles										
Fire/pumper trucks	13	14	14	14	13	13	13	13	13	13
Other Fire Dept. vehicles	12	10	9	6	6	6	6	6	5	5
Ambulance/rescue	7	6	6	6	5	4	6	5	5	4
Sheriffs vehicles	60	63	61	48	53	51	46	46	39	35
Other public safety vehicles	3	4	4	4	3	3	3	3	3	3
Equipment	89	83	82	81	79	78	78	69	49	41
Judicial										
Small equipment	6	6	6	6	6	6	6	6	6	6
Public works										
Buildings	3	3	3	3	3	3	3	3	3	3
Vehicles										
Road Department	11	11	11	11	11	10	11	11	15	20
Building Inspector	7	6	6	6	6	6	6	6	6	6
Other	3	3	3	3	3	3	3	3	3	2
Small equipment	11	6	5	5	5	5	5	5	1	1
Heavy equipment	39	37	34	34	35	34	33	35	35	35
Health and welfare										
Buildings	3	3	3	3	3	3	2	2	2	2
Culture and recreation										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	3	5	4	3	4	4	4	5	5	5
Equipment	17	14	13	13	13	13	13	11	10	10

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 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, 2015, 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 10, 2016. Our report 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. Our report also includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*, as of January 1, 2015.

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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as items 2015-001, 2015-002, 2015-003, 2015-004, 2015-005 and 2015-006, that we consider 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 Responses to Findings

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



Atlanta, Georgia
June 10, 2016

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiencies identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

Federal Awards

An audit of federal awards was not performed for the County's year ended December 31, 2015 as the expenditures of federal awards did not exceed the \$750,000 threshold.

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2015-001 Revenues and related balance sheet accounts
(Primary Government)

Criteria: Internal controls should be in place to ensure that amounts reported as revenues and related balance sheet accounts are appropriate and properly valued in accordance with generally accepted accounting principles (GAAP).

Condition: Misstatements were detected in the reporting of the County's revenues and related balance sheet accounts.

Context/Cause: During the course of our testing, certain adjustments were required to properly report the County's revenues and related balance sheet accounts. The nature of these adjustments is as follows:

- During our testing of the County's General Fund activity for 2015, we noted that the County required an adjustment of approximately \$48,000 to correctly report property tax revenue and related balance sheet accounts due to an error in the initial calculation of penalties and interest considered available.
- During our testing of the County's General Fund activity for 2015, we noted that the County was required to adjust property tax revenue and related balance sheet accounts in the amount of \$57,000 for amounts that were received and recognized during the current year that were recorded as a receivable and revenue in the prior year. The amounts received during the current year should have relieved the receivable in lieu of being recognized as revenue in the current year.
- During our testing of the County's Multiple Grant Fund activity for 2015, we noted that the County was required to adjust intergovernmental revenue and related balance sheet accounts for advances received on grants that met all of the eligibility criteria and, therefore, should be recognized as revenue when received and not when expended. It was also noted that adjustments were required for intergovernmental revenues that were not considered available at December 31, 2015. The total amount of these adjustments was approximately \$92,000.
- During our testing of the County's Capital Projects Fund activity for 2015, we noted that the County was required to adjust intergovernmental revenue and related balance sheet accounts in the amount of approximately \$11,000 for a prior year receivable that was collected during the current year and, therefore, the receivable should have been relieved.

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2015-001 Revenues and related accounts (Continued)
(Primary Government)

Effects: Total misstatements related to revenue recognition and reporting of the related balance sheet accounts totaled approximately \$208,000 for the year ended December 31, 2015.

Recommendation: We recommend the County carefully review all revenues and the related balance sheet accounts to ensure amounts are reported in the proper reporting period and include all activity 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 related balance sheet accounts are properly reported.

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2015-002 Liabilities and related expenditures
(Primary Government)

Criteria: Internal controls should be in place to ensure that amounts reported as expenditures and related balance sheet accounts are recognized as soon as a liability is incurred, regardless of the timing of the related cash flows, in accordance with generally accepted accounting principles (GAAP).

Condition: Misstatements were detected in the reporting of the County's expenditures and related balance sheet accounts.

Context/Cause: During the course of our testing, certain adjustments were required to properly report the County's expenditures and related balance sheet accounts. The nature of these adjustments is as follows:

- During our testing of the County's SPLOST Fund activity for 2015, we noted that the County was required to adjust intergovernmental expenditures and related balance sheet accounts in the amount of \$42,000 for amounts that should be accrued based on the percentage of SPLOST collections due to the City of Dahlonega.

Effects: Total misstatements related to expenditures and reporting of the related balance sheet accounts totaled approximately \$42,000 for the year ended December 31, 2015.

Recommendation: We recommend the County carefully review all expenditures and the related balance sheet accounts to ensure amounts are reported in the proper reporting period and include all activity 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 expenditures and related balance sheet accounts are properly reported.

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2015-003 Bank Account Reconciliations
(Lumpkin County Water & Sewerage Authority)

Criteria: Internal controls should be in place to ensure that monthly reconciliations of the Authority's bank accounts are being performed, that all reconciling items are accounted for and properly posted in the Authority's general ledger, and that any remaining discrepancies between the general ledger balance and adjusted bank balance be investigated and resolved immediately.

Condition: The Authority was not properly performing complete reconciliations of its bank accounts throughout the year ended December 31, 2015.

Context/Cause: During the course of our testing, we noted the following when examining the Authority's bank account reconciliations for the month of December 2015:

- The reconciliation for the Authority's main operating account (the Revenue Fund) included a line item for "manual adjustments" that totaled \$4,046. Our discussions with the Authority's accountant revealed that this is merely a function in the Authority's accounting system that allows you to force the bank account to reconcile and no detail exists for what comprises this difference between the general ledger balance and the adjusted bank balance.
- The reconciliation for the Authority's security deposit account included a line item for "manual adjustments" that totaled (\$3,908). As with the reconciliation for the Revenue Fund, no detail existed for this reconciling item.

Effects: While the net effect of these reconciling items noted is immaterial and did not warrant an audit adjustment, it is noted that these "manual adjustments" have been carried forward on the Authority's reconciliations throughout the year and the "force reconcile" function in the Authority's accounting system is being used improperly to adjust the monthly reconciliations without identifying these differences.

Recommendation: Due to the small size of Authority staff, monthly bank reconciliations are a significant control for the Authority. As such, we recommend that management perform complete reconciliations of all of the Authority's bank accounts on a monthly basis that includes the identification of any differences and resolution of these differences in a timely manner in order to protect the Authority from financial loss and in accordance with a sound internal control environment.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that all bank accounts are properly reconciled on a monthly basis.

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2015-004 Capital Assets Reporting
(Lumpkin County Water & Sewerage Authority)

Criteria: Internal controls should be in place to ensure the proper reporting of the Authority's capital assets in accordance with generally accepted accounting principles (GAAP).

Condition: Internal controls were not sufficient to detect material misstatements in the reporting of capital assets and related activity for the year ended December 31, 2015.

Context/Cause: During the course of our testing, certain audit adjustments were required to correctly report capital assets balances of the Authority in accordance with GAAP. The nature and magnitude of these adjustments are as follows:

- An adjustment of approximately \$52,500 was required to record current year additions to capital assets. These items were coded to expense accounts by the Authority during the year and were not properly reclassified to the balance sheet as they were comprised of costs related to projects that are recorded as construction-in-progress (CIP).
- An adjustment of approximately \$8,500 was required to properly record current year depreciation expense. The unadjusted balance in the trial balance did not match the annual depreciation expense from the Authority's capital asset software (AssetKeeper) and it was identified that current year depreciation expense had not been recorded on a certain class of the Authority's capital assets.

Effects: Audit adjustments totaling approximately \$61,000 were required to correct the reporting of the Authority's capital assets in accordance with GAAP.

Recommendation: We recommend the Authority carefully review all of its current projects in progress as well as the expense accounts that include an account number beginning with "54xxxx" as this is where expenses are recorded by the Authority throughout the year that pertain to its CIP. In addition, we recommend the Authority develop a method to track the status of current projects in CIP as well as all related expenses and that way, at year-end, this can be compared to any expenses in the "54xxxx" accounts to ensure those amounts that pertain to CIP are properly reclassified. Finally, after all year-end adjustments are posted, we recommend the Authority compare the ending balances per the general ledger to the reports from AssetKeeper to ensure agreement and reconciliation.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to implement the above recommendations to ensure capital assets are properly reported in accordance with generally accepted accounting principles.

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2015-005 Accounts Payable and Related Balances
(Lumpkin County Water & Sewerage Authority)

Criteria: Internal controls should be in place to ensure the proper reporting of the Authority's accounts payable and related balances in accordance with generally accepted accounting principles (GAAP).

Condition: Internal controls were not sufficient to detect material misstatements in the reporting of accounts payable and related activity for the year ended December 31, 2015.

Context/Cause: During the course of our testing, certain audit adjustments were required to correctly report accounts payable and related balances of the Authority in accordance with GAAP. The nature and magnitude of these adjustments are as follows:

- Audit adjustments of approximately \$71,000 were required to remove invoices that were accrued as accounts payable in previous periods. When these items were paid during 2015, the Authority improperly recorded the expense related to the vendor invoices again instead of relieving the liability that was created when the invoice was accrued in the prior period.
- An adjustment of approximately \$21,000 was required to properly report balances related to customer refunds payable. Throughout 2015, the Authority's accounting system was incorrectly handling these transactions which resulted in the liability account reporting a debit balance in the trial balance that was submitted for the audit. The audit adjustment was required to remove this debit balance and record the transactions in the correct account.

Effects: Audit adjustments totaling approximately \$92,000 were required to correct the reporting of the Authority's accounts payable and related balances in accordance with GAAP.

Recommendation: We recommend the Authority begin performing monthly reconciliations of its accounts payable and related balance sheet accounts. Reconciliation of these accounts should include generating a detail list of the balances that comprise the account from the sub-ledger and comparing that balance to the general ledger to determine if any discrepancies exist. By examining the details and any differences that may exist, the Authority will be able to identify if accounts payable and related balances need to be adjusted to ensure the amounts are reported in accordance with GAAP.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to implement the above recommendations to ensure accounts payable and related balances are properly reported in accordance with generally accepted accounting principles.

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2015-006 Segregation of Duties
(Lumpkin County Water & Sewerage Authority)

Criteria: Segregation of employees' duties is a common practice in an effective internal control structure. Segregation of duties is when specific employee functions related to important accounting areas (such as the posting of journal entries, cash receipting and cash disbursing) are separated among different individuals to significantly reduce the risk that any one individual could intentionally or unintentionally misappropriate assets. Policies should be in place requiring the segregation of duties.

Condition: The limited number of employees involved in the operations of the Authority and the resulting overlapping of duties causes segregation of duties to be difficult in certain circumstances.

Context/Cause: During the course of our testing, we noted the following deficiencies in the Authority's internal controls that present segregation of duties issues:

- Currently, there is not a proper segregation of duties among those who initiate journal entries, approve journal entries, and post journal entries to the general ledger.

Effects: Without some segregation of duties and contingency plans to address employee vacancies when they occur, there is increased exposure that someone could intentionally or unintentionally misappropriate assets of the Authority.

Recommendation: We recommend the Authority review its processes and determine where it can effectively segregate duties and implement other internal controls procedures where necessary to alleviate the issues noted above.

Auditee's Response: We concur with the finding. We will review our operations to determine the most efficient and effective solutions to properly segregate duties at the Authority.

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable