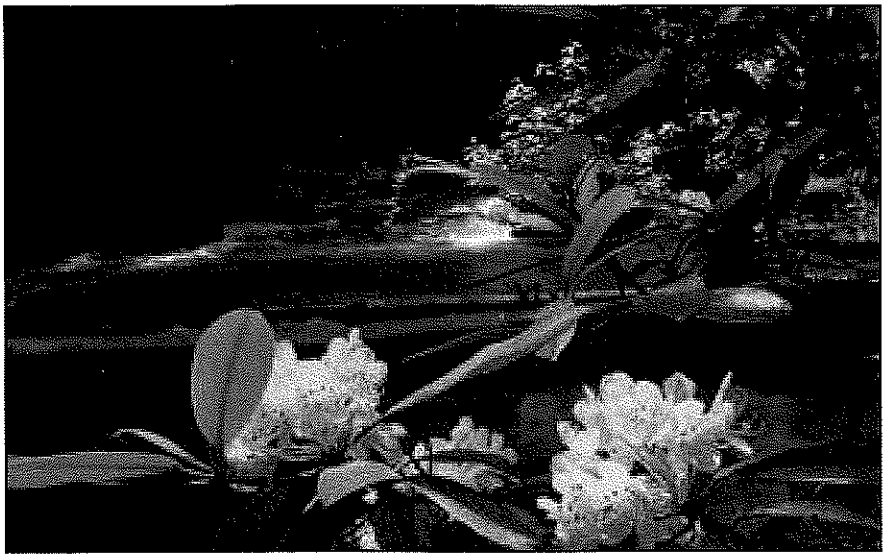
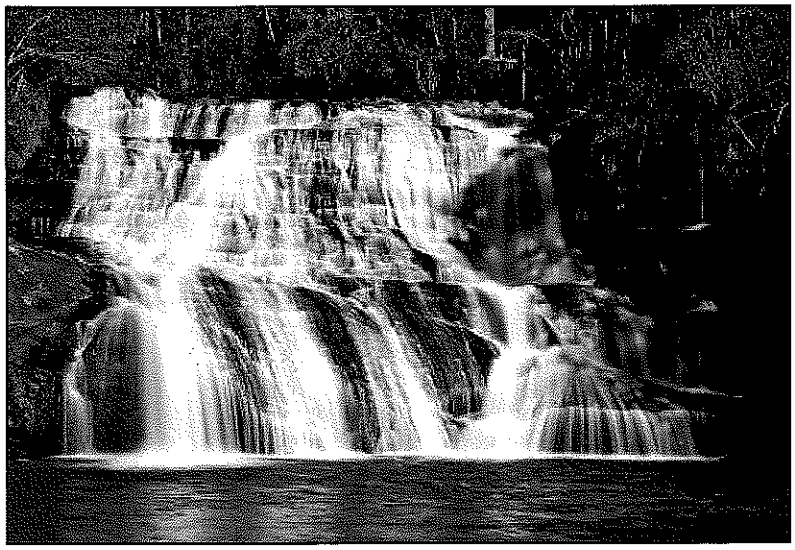
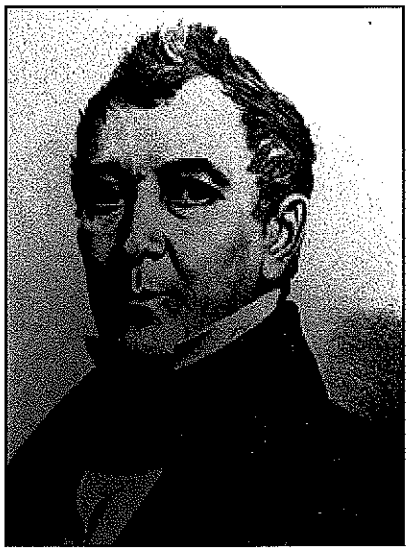
Lumpkin County, Georgia 2010









COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2010

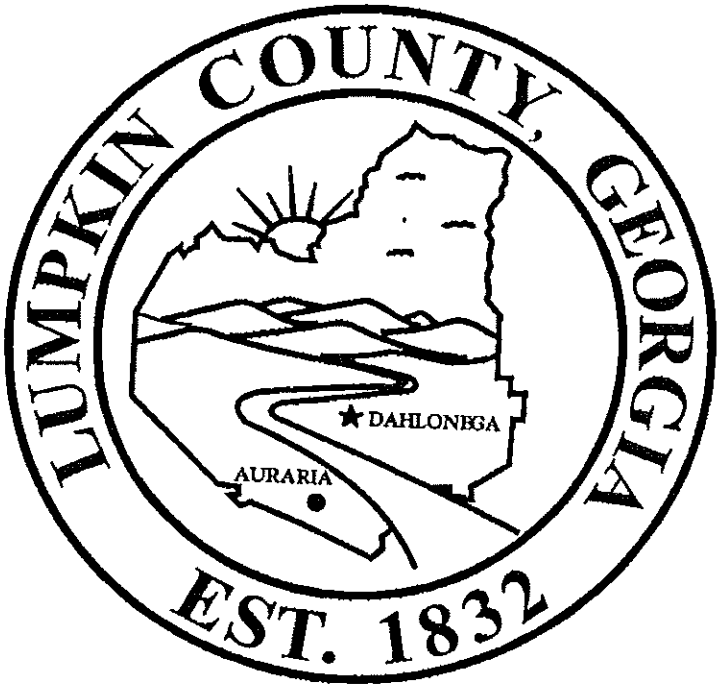
Prepared by: The Lumpkin County Office of Financial Administration

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2010

Prepared By:
The Lumpkin County Office of Financial Administration



Introductory Section

Letter of Transmittal
Certificate of Achievement for Excellence in Financial Reporting
Organizational Chart
Officials of Lumpkin County, Georgia

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

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LUMPKIN COUNTY, GEORGIA

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LUMPKIN COUNTY BOARD OF COMMISSIONERS

Bill Scott
District 1

Tim Bowden
District 2

Dr. John Raber
Chairman

Clarence Stowers
District 3

Clarence Grindle
District 4

June 24, 2011

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, 2010.

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, 2010, 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 unqualified opinion that Lumpkin County, Georgia's financial statements for the

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fiscal year ended December 31, 2010, 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 one-third of which is located within the Chattahoochee National Forest. The population of the County has grown by more than 42.6% over the past ten years with the current estimated population to be over 29,000.

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

Government Structure

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

The form of government was changed to a five person Board of Commissioners, effective January 1, 2005. The Board is comprised of four members that live in a specific district but are elected by voters county wide. 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 2010, Lumpkin County received an Emergency Management Preparedness Grant for the emergency notification system. Lumpkin County was awarded a Community Development Block Grant for expansion at the Senior Center, an Emergency Management Preparedness Grant for a debris removal plan; and a grant from ACCG for a wellness program for employees.

Other accomplishments during the year include:

- Resurfacing approximately 25.9 lane miles of County roads, using a combination of Federal, State, and local money.
- Completion of construction on the Health Department building.
- Contracted with YMCA to oversee operations of Parks and Recreation.
- Completion of a fiber intra-network for all county facilities.
- Completion of a facilities master plan.

Financial Policies

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

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

Acknowledgements

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

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

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

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

Respectfully submitted,

Stanley J. Kelley
County Manager

C. Allison Martin
Director of Finance

OFFICIALS OF
LUMPKIN COUNTY, GEORGIA

COMMISSIONER'S OFFICE

Dr. John Raber	**Chairman**
William Scott	**District 1**
Timothy Bowden	**District 2**
Clarence Stowers	**District 3**
Clarence Grindle	**District 4**
Stanley J. Kelley	**County Manager**
Ruth Bohac	**County Clerk**

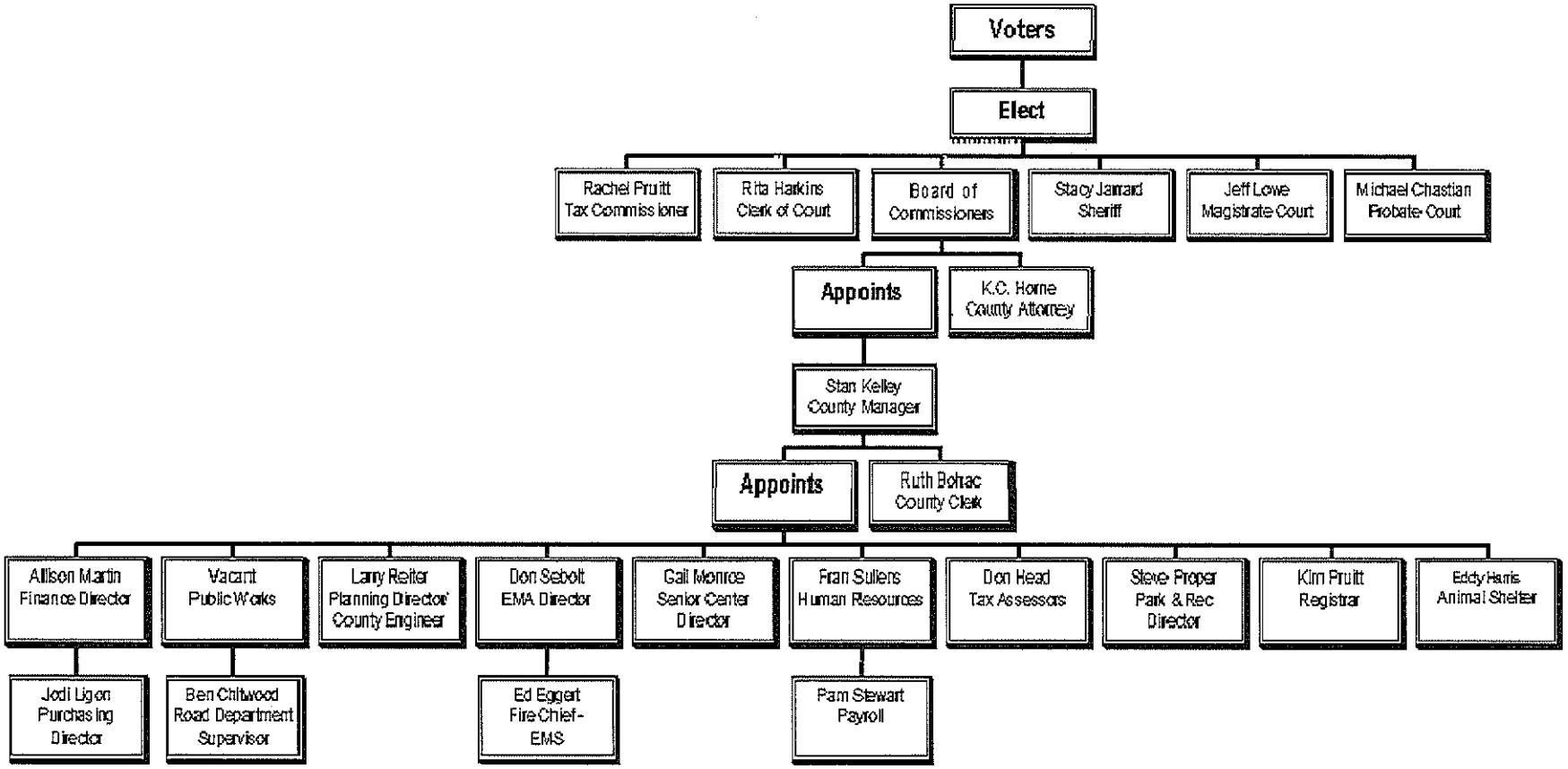
DEPARTMENT DIRECTORS

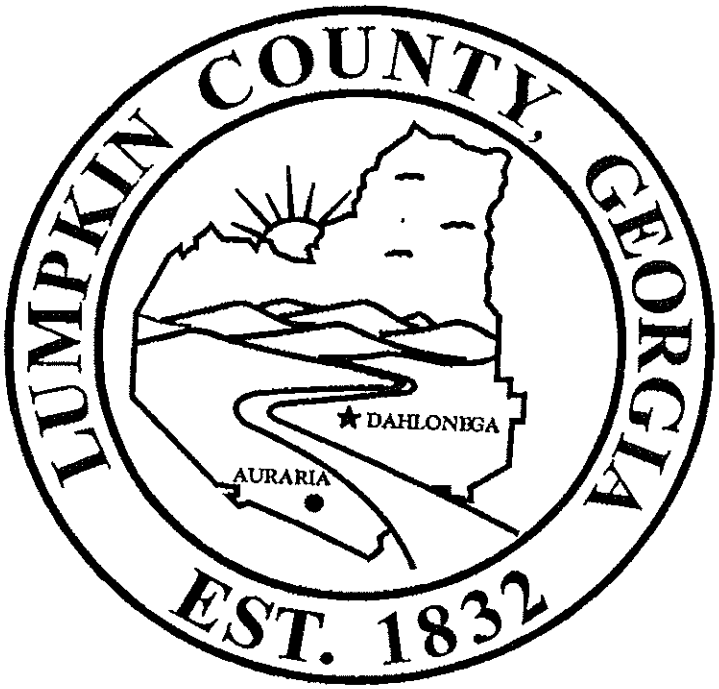
C. Allison Martin	**Finance**
Fran Sullens	**Human Resources**
Steve Proper	**Parks & Recreation**
Larry Reiter	**Planning/County Engineer**
Vacant	**Public Works**
Gail Monroe	**Senior Center**
Don Head	**Chief Appraiser**
Kimberly Pruitt	**Registrar**
Eddy Harris	**Animal Shelter**
Don Seabolt	**Emergency Management**

JUDICIAL & OTHER ELECTED OFFICIALS

Rita Harkins	**Clerk of Court**
Michael Chastain	**Probate Judge**
Jeff Lowe	**Magistrate Judge**
Stan Gunter	**District Attorney**
David Barrett	**Chief Superior Court Judge**
Lynn Akeley-Alderman	**Superior Court Judge**
Murphy Miller	**Superior Court Judge**
C. David Turk	**Juvenile Court Judge**
Rachel Pruitt	**Tax Commissioner**
Stacy Jarrard	**Sheriff**
Larry Banister	**Coroner**
Doug Sherill	**County Surveyor**

Lumpkin County's Organization Chart





Financial Section

Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements
Notes to Financial Statements
Required Supplementary Information

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Lumpkin County, Georgia
Dahlonega, Georgia

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, 2010, which collectively comprise Lumpkin County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 represent 29 percent, 9 percent, and 47 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the basic financial statements, 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 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the reports of the other auditors, provide a reasonable basis for our 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2011, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 3 through 12) and the budgetary comparison information and schedule of funding progress (on pages 54 through 56) are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 introductory section, combining and individual fund financial statements and schedules, and statistical section, 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 schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-21, as listed in the table of contents, are also presented for purposes of additional analysis, and are also not a required part of the basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards, and the schedule of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 23, 2011

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, 2010. 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, 2010.

Financial Highlights

- The assets of Lumpkin County's governmental activities exceeded its liabilities at December 31, 2010 by $71.3 million (*net assets*). Of this amount, $6.7 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of December 31, 2010, the governmental funds of Lumpkin County reported combined ending fund balances of $15.4 million, a decrease of $1.1 million in comparison with the prior year. Approximately 36% of this amount, $5.6 million, is *available for spending* at the government's discretion (*unreserved fund balance*). The decrease is primarily a result of the construction of the Justice Center.
- At the end of 2010, unreserved fund balance for the general fund was $5.4 million, or 36% 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 2010, the Debt Service Fund had accumulated $9.2 million toward the goal of retiring the 2001 issue.
- During 2010, Lumpkin County made principal and interest payments totaling $1.7 million on the Public Building Authority Issue, Series 2001. These payments reduced the outstanding principal to $6.86 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	❑ Statement of Net Assets ❑ Statement of Activities	❑ Balance Sheet ❑ Statement of Revenues, Expenditures and Changes in Fund Balance	❑ Statement of Net Assets ❑ Statement of Revenues, Expenses and Changes in Net Assets ❑ Statement of Cash Flows	❑ Statement of Fiduciary Net Assets
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 assets includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the County's *net assets* and how they have changed. Net assets, the difference between the County's assets and liabilities, are one way to measure the County's financial health or current position.

- Over time, increases or decreases in the County's net assets are 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 assets. As discussed earlier, net assets may serve as a useful indicator of a government's financial position. As of December 31, 2010, the County's net assets were $71.6 million, which is an increase of approximately $1.5 million from the prior year. Table B on the following page provides a summary of the County's Governmental and Business-type net assets for 2010 and 2009.

TABLE B

LUMPKIN COUNTY, GEORGIA'S NET ASSETS
December 31, 2010 and 2009
($ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2010	2009	2010	2009	2010	2009
CURRENT AND OTHER ASSETS	$25,775	$29,565	$0	$2	$25,775	$29,567
CAPITAL ASSETS (net of depreciation)	78,514	76,800	736	762	79,250	77,562
TOTAL ASSETS	104,289	106,365	736	764	105,025	107,129
LONG-TERM LIABILITIES	23,456	24,883	506	409	23,962	25,292
OTHER LIABILITIES	9,491	11,731	0	0	9,491	11,731
TOTAL LIABILITIES	32,947	36,614	506	409	33,453	37,023
NET ASSETS:						
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	55,355	52,684	736	762	56,091	53,446
RESTRICTED FOR DEBT SERVICE	9,243	10,370	0	0	9,243	10,370
RESTRICTED FOR CAPITAL PROJECTS	0	1,114	0	0	0	1,114
UNRESTRICTED	6,744	5,583	(506)	(407)	6,238	5,176
TOTAL NET ASSETS	$71,342	$69,751	$230	$355	$71,572	$70,106

A significant portion (78.4%) of these net assets represents the *investment in capital assets, net of related debt*. 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 assets represent resources that are subject to external restrictions on how they may be used. Included in this category are unspent SPLOST proceeds for Debt Service Reserves (12.9% of the total).

The remaining 8.7% of net assets 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 2010 and 2009 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 ASSETS
Year Ended December 31, 2010 and 2009
($ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2010	2009	2010	2009	2010	2009
REVENUES:						
PROGRAM REVENUES:						
CHARGES FOR SERVICES	$4,286	$4,040	$15	$20	$4,301	$4,060
OPERATING GRANTS & CONTRIBUTIONS	1,567	1,276	0	0	1,567	1,276
CAPITAL GRANTS & CONTRIBUTIONS	54	202	0	0	54	202
GENERAL REVENUES:						
PROPERTY TAXES	9,850	9,841			9,850	9,841
SALES TAXES	5,195	5,324			5,195	5,324
OTHER TAXES	1,047	1,037			1,047	1,037
UNRESTRICTED INVESTMENT EARNINGS	448	511			448	511
GAIN ON SALE OF CAPITAL ASSETS	0	14	0	0	0	14
TOTAL REVENUES	22,447	22,245	15	20	22,462	22,265
EXPENSES:						
GENERAL GOVERNMENT	3,210	2,843			3,210	2,843
PUBLIC SAFETY	9,004	7,958			9,004	7,958
JUDICIAL SYSTEM	2,585	2,403			2,585	2,403
PUBLIC WORKS	2,604	2,450			2,604	2,450
HEALTH & WELFARE	613	654			613	654
CULTURE & RECREATION	1,334	1,336			1,334	1,336
HOUSING & DEVELOPMENT	424	458			424	458
INTEREST	998	750			998	750
SOLID WASTE	0	0	224	119	224	119
TOTAL EXPENSES	20,772	18,852	224	119	20,996	18,971
NCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS	1,675	3,393	(209)	(99)	1,466	3,294
TRANSFERS	(84)	(75)	84	75	0	0
INCREASE (DECREASE) IN NET ASSETS	1,591	3,318	(125)	(24)	1,466	3,294
NET ASSETS, BEGINNING OF YEAR	69,751	66,433	355	379	70,106	66,812
NET ASSETS, END OF YEAR	$71,342	$69,751	$230	$355	$71,572	$70,106

Governmental Activities: Governmental activities accounted for $1.6 million of the excess in the County's net revenues over expenses for 2010 primarily due to the increase in the collection of back property taxes, interest and penalties.

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

Financial Analysis of the County's Funds

Governmental Funds Overview: Lumpkin County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As described earlier, the County's governmental funds provide information on short-term inflows and outflows, as well as what remains for future spending. Such information is useful in assessing the County's financing requirements. For example, unreserved 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 2010, Lumpkin County Governmental Funds reported a combined fund balance of $15.4 million. This amount was down $1.1 million from 2009. Of the total combined fund balance, approximately 36% consists of *unreserved fund balance*, the portion of fund balance, which serves as a measure of current available financial resources.

The *reserved fund balance* represented resources not available for spending or those on which legal restrictions have been placed. The County's reserved fund balance makes up 64% 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 $5.8 million. This was $600 thousand more than the previous year. Of the $5.8 million, 92% is unreserved while the remaining 8% is reserved.

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, 2010 had an outstanding principal balance of $6.855 million. The fund balance of the Debt Service Fund is $9.243 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, 2010 the fund balance of this fund was ($321) thousand which is due to construction commitments and repayment due to the General Fund.

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

Enterprise Fund. The Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises - where the costs (expenses, including depreciation) of providing goods or services to the general public are being financed or recovered primarily through user charges on a continuing basis. The Solid Waste Fund is the County's single enterprise fund. Total net assets of the enterprise fund at the end of 2010 were $229 thousand, representing a decrease of $126 thousand due largely to the change in post closure estimates.

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 $730 thousand below final budget amounts.

Capital Assets and Debt Administration

Capital Assets

At the end of 2010, the County had acquired $79.2 million (net of accumulated depreciation) in a broad range of capital assets for its governmental and business-type activities including land, buildings, park facilities, roads, bridges, heavy machinery, vehicles and equipment, and infrastructure.

- All infrastructure assets acquired to date are included in capital assets in accordance with GASB 34 requirements.
- The total increase in capital assets, net of accumulated depreciation, for the current fiscal year was $1.7 million. The percentage increase in capital assets was 2.2%.
- 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 $143 million in 2010. The County currently has $6.855 million subject to the limitation.

At December 31, 2010, Lumpkin County had the following outstanding long-term debt:

- $23.2 million in certificates of participation and notes payable.
- $270 thousand in compensated absences.
- $28 thousand in net pension obligation.
- Additional information on the County's long-term debt can be found in Note 8 of the Notes to Financial Statements.

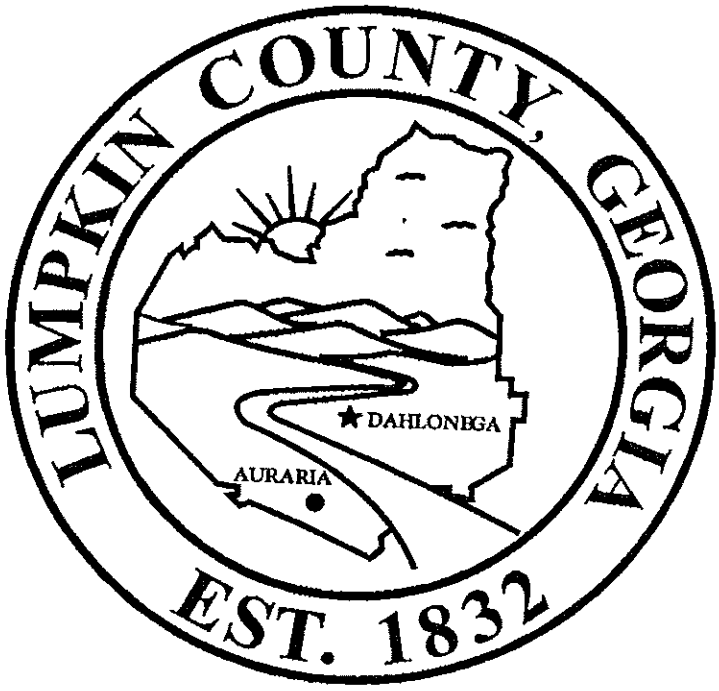
Economic Factors and Next Year's Budgets and Rates

Economic conditions in the County continued to decline during 2010, with minimal growth in the business sector. New housing starts were down in the County during 2010, with no real impact to the tax base and increasing demands for services. In an effort to stimulate growth of light industry and shift more of the tax burden from homeowners, a project to extend water and sewerage service was begun during 2003 and was completed during 2006 in the southern part of the County. This project has been completed and the County is beginning to see some retail growth in that area of the County.

Due to the decline economy, the 2011 budget plans for no increase of revenues and has anticipated a loss in revenues from sales tax and property tax. The economy has necessitated a tight spending budget for 2011 as the value of the digest continues to decline. The budget has decreased by $1.5 million but the County has been able to maintain the same level of service. 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.



Basic
Financial Statements

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LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET ASSETS
DECEMBER 31, 2010

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 12,747,741	$ -	$ 12,747,741
Investments	8,394,882	-	8,394,882
Receivables (net of allowance for uncollectibles)	3,701,615	-	3,701,615
Prepaid items	425,072	515	425,587
Inventories	78,191	-	78,191
Due from primary government	-	-	-
Due from component unit	20,037	-	20,037
Internal balances	327	(327)	-
Deferred charges, unamortized balance	217,728	-	217,728
Restricted assets:			
Restricted cash and cash equivalents	189,571	-	189,571
Capital assets, nondepreciable	49,060,517	192,103	49,252,620
Capital assets, depreciable, net of accumulated depreciation	29,452,856	543,303	29,996,159
Total assets	104,288,537	735,594	105,024,131
LIABILITIES			
Accounts payable	908,743	-	908,743
Accrued liabilities	661,878	-	661,878
Customer deposits	-	-	-
Due to primary government	-	-	-
Due to component unit	2,340	-	2,340
Unearned revenue	7,917,936	-	7,917,936
Noncurrent liabilities due within one year			
Compensated absences	269,560	52	269,612
Landfill closure and postclosure	-	22,000	22,000
Certificates of participation	140,000	-	140,000
Notes payable	1,299,595	-	1,299,595
Claims and judgments	-	-	-
Noncurrent liabilities due in more than one year			
Net pension obligation	27,702	-	27,702
Compensated absences payable	-	-	-
Landfill closure and postclosure	-	484,000	484,000
Certificates of participation	9,235,082	-	9,235,082
Notes payable	12,484,012	-	12,484,012
Claims and judgments	-	-	-
Total liabilities	32,946,848	506,052	33,452,900
NET ASSETS			
Invested in capital assets, net of related debt	55,354,684	735,406	56,090,090
Restricted for:			
Debt service	9,242,686	-	9,242,686
Unrestricted	6,744,319	(505,864)	6,238,455
Total net assets	$ 71,341,689	$ 229,542	$ 71,571,231

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

Component Units			
Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
$ 217,919	$ 272,019	$ 153,156	$ 392,644
-	652,770	1,058,225	-
29,027	53,362	8,241	115,136
-	5,525	-	6,945
-	-	-	13,582
-	2,340	-	-
-	-	-	-
-	-	-	-
-	-	-	123,754
-	-	-	-
-	93,915	-	19,262
7,136	1,183,349	-	4,351,399
254,082	2,263,280	1,219,622	5,022,722
14,585	9,975	-	54,419
-	2,349	-	-
-	625,000	-	89,414
-	-	-	20,037
-	-	-	-
-	-	-	-
36,000	-	-	4,994
-	-	-	-
-	-	-	-
-	1,464,473	-	195,000
-	-	-	7,500
-	-	-	-
23,599	-	-	-
-	-	-	-
-	-	-	-
-	-	-	2,443,014
-	-	-	12,500
74,184	2,101,797	-	2,826,878
7,136	(187,209)	-	1,732,647
-	-	-	-
172,762	348,692	1,219,622	463,197
$ 179,898	$ 161,483	$ 1,219,622	$ 2,195,844

LUMPKIN COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 3,210,279	$ 1,176,988	$ 250,546	$ -
Judicial	2,585,123	771,150	596,446	-
Public safety	9,003,836	1,921,204	297,251	-
Public works	2,604,308	53,519	38,814	54,038
Health and welfare	612,906	51,615	383,980	-
Culture and recreation	1,333,639	216,121	-	-
Housing and development	424,529	95,566	-	-
Interest on long-term debt	997,765	-	-	-
Total governmental activities	20,772,385	4,286,163	1,567,037	54,038
Business-type activities:				
Solid waste management	224,628	15,000	-	-
Total business-type activities	224,628	15,000	-	-
Total primary government	$ 20,997,013	$ 4,301,163	$ 1,567,037	$ 54,038
Component units:				
Health Department	$ 798,094	$ 347,376	$ 545,570	$ 7,197
Development Authority	282,650	121,500	4,064	-
Hospital Authority	15,549	-	-	-
Water and Sewerage Authority	984,888	1,155,604	-	-
Total component units	$ 2,081,181	$ 1,624,480	$ 549,634	$ 7,197
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Other taxes				
Unrestricted investment earnings				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year				
Net assets, end of year				

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

Net (Expense) Revenue and Changes in Net Assets						
Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
$ (1,782,745)	$ -	$ (1,782,745)	$ -	$ -	$ -	$ -
(1,217,527)	-	(1,217,527)	-	-	-	-
(6,785,381)	-	(6,785,381)	-	-	-	-
(2,457,937)	-	(2,457,937)	-	-	-	-
(177,311)	-	(177,311)	-	-	-	-
(1,117,518)	-	(1,117,518)	-	-	-	-
(328,963)	-	(328,963)	-	-	-	-
(997,765)	-	(997,765)	-	-	-	-
(14,865,147)	-	(14,865,147)	-	-	-	-
-	(209,628)	(209,628)	-	-	-	-
-	(209,628)	(209,628)	-	-	-	-
$ (14,865,147)	$ (209,628)	$ (15,074,775)	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ 102,049	$ -	$ -	$ -
-	-	-	-	(157,086)	-	-
-	-	-	-	-	(15,549)	-
-	-	-	-	-	-	170,716
$ -	$ -	$ -	$ 102,049	$ (157,086)	$ (15,549)	$ 170,716
$ 9,849,732	$ -	$ 9,849,732	$ -	$ -	$ -	$ -
5,195,161	-	5,195,161	-	-	-	-
828,325	-	828,325	-	-	-	-
218,736	-	218,736	-	-	-	-
447,630	-	447,630	-	27,099	49,605	448
(83,744)	83,744	-	-	-	-	-
16,455,840	83,744	16,539,584	-	27,099	49,605	448
1,590,693	(125,884)	1,464,809	102,049	(129,987)	34,056	171,164
69,750,996	355,426	70,106,422	77,849	291,470	1,185,566	2,024,680
$ 71,341,689	$ 229,542	$ 71,571,231	$ 179,898	$ 161,483	$ 1,219,622	$ 2,195,844

LUMPKIN COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

ASSETS	General	Debt Service	SPLOST	Nonmajor Governmental Funds	Total
Cash and cash equivalents	$ 10,867,414	$ 778,736	$ 638,716	$ 462,875	$ 12,747,741
Restricted cash and cash equivalents	-	-	189,571	-	189,571
Investments	-	8,394,882	-	-	8,394,882
Receivables (net of allowance for uncollectibles)	2,576,420	270,649	323,215	531,331	3,701,615
Inventories	78,191	-	-	-	78,191
Due from other funds	1,479,562	-	-	81,555	1,561,117
Due from component unit	20,037	-	-	-	20,037
Prepaid items	370,418	-	-	54,654	425,072
Total assets	$ 15,392,042	$ 9,444,267	$ 1,151,502	$ 1,130,415	$ 27,118,226
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 710,390	$ -	$ 190,660	$ 7,693	$ 908,743
Other accrued liabilities	411,197	-	-	-	411,197
Due to other funds	81,555	-	1,270,216	209,019	1,560,790
Due to component unit	2,340	-	-	-	2,340
Deferred revenues	8,298,944	201,581	11,619	345,576	8,857,720
Total liabilities	9,504,426	201,581	1,472,495	562,288	11,740,790
FUND BALANCES					
Fund balances:					
Reserved for:					
Prepaid items	370,418	-	-	54,654	425,072
Inventories	78,191	-	-	-	78,191
Debt service	-	9,242,686	-	-	9,242,686
Unreserved, reported in:					
General fund	5,439,007	-	-	-	5,439,007
Special revenue funds	-	-	-	512,473	512,473
Capital projects funds	-	-	(320,993)	1,000	(319,993)
Total fund balances	5,887,616	9,242,686	(320,993)	568,127	15,377,436
Total liabilities and fund balances	$ 15,392,042	$ 9,444,267	$ 1,151,502	$ 1,130,415	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	78,513,373
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	939,784
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(23,461,202)
Net pension obligation that is not due and payable in the current period and, therefore, not reported in governmental funds.	(27,702)
Net assets of governmental activities	$ 71,341,689

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, 2010

	General	Debt Service	SPLOST	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	$ 12,705,660	$ 196,488	$ 2,901,316	$ 488,738	$ 16,292,202
Licenses and permits	40,089	-	-	91,232	131,321
Fines and forfeitures	581,341	-	-	78,368	659,709
Charges for services	2,682,178	-	-	630,352	3,312,530
Interest income	24,281	421,632	8,620	1,717	456,250
Intergovernmental	650,598	-	7,865	1,006,898	1,665,361
Contributions and donations	40,073	-	-	70,546	110,619
Other	151,742	-	-	30,861	182,603
Total revenues	16,875,962	618,120	2,917,801	2,398,712	22,810,595
Expenditures:					
Current:					
General government	2,969,154	-	57,391	2,376	3,028,921
Judicial	1,602,676	-	-	982,175	2,584,851
Public safety	7,627,454	-	150	983,480	8,611,084
Public works	1,051,048	-	-	4,732	1,055,780
Health and welfare	599,431	-	185	-	599,616
Culture and recreation	1,137,656	-	-	-	1,137,656
Housing and development	95,336	-	-	325,260	420,596
Intergovernmental	-	-	503,938	-	503,938
Capital outlay	-	-	3,265,130	215,680	3,480,810
Debt service:					
Principal	96,971	1,161,801	135,000	41,000	1,434,772
Interest	76,285	583,241	360,926	2,050	1,022,502
Total expenditures	15,256,011	1,745,042	4,322,720	2,556,753	23,880,526
Excess (deficiency) of revenues over expenditures	1,619,951	(1,126,922)	(1,404,919)	(158,041)	(1,069,931)
Other financing sources (uses):					
Transfers in	-	-	-	1,087,268	1,087,268
Transfers out	(1,022,024)	-	(30,635)	(118,353)	(1,171,012)
Total other financing sources (uses)	(1,022,024)	-	(30,635)	968,915	(83,744)
Net change in fund balances	597,927	(1,126,922)	(1,435,554)	810,874	(1,153,675)
Fund balances (deficit), beginning of year	5,289,689	10,369,608	1,114,561	(242,747)	16,531,111
Fund balances (deficit), end of year	$ 5,887,616	$ 9,242,686	$ (320,993)	$ 568,127	$ 15,377,436

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, 2010

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(1,153,675)
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.		1,747,806
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net assets.		(34,902)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(407,592)
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 assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		1,407,652
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.		31,404
Change in net assets - governmental activities	$	1,590,693

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUND
DECEMBER 31, 2010

	Solid Waste Management Fund
ASSETS	
Current assets:	
Prepaid items	$ 515
Total current assets	515
Noncurrent assets:	
Capital assets:	
Capital assets, not being depreciated	192,103
Capital assets, being depreciated	981,191
Less accumulated depreciation	(437,888)
Total capital assets, net of accumulated depreciation	735,406
Total assets	735,921
LIABILITIES	
Current liabilities:	
Due to other funds	327
Compensated absences	52
Landfill postclosure, current	22,000
Total current liabilities	22,379
Long-term liabilities:	
Landfill postclosure	484,000
Total long-term liabilities	484,000
Total liabilities	506,379
NET ASSETS	
Invested in capital assets	735,406
Unrestricted	(505,864)
Total net assets	$ 229,542

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Solid Waste Management Fund
OPERATING REVENUES	
Charges for services	$ 15,000
Total operating revenues	15,000
OPERATING EXPENSES	
Salaries and benefits	35,838
Supplies and maintenance	42,907
Depreciation expense	26,695
Landfill postclosure	119,188
Total operating expenses	224,628
Operating loss	(209,628)
Transfers in	83,744
Change in net assets	(125,884)
NET ASSETS, beginning of year	355,426
NET ASSETS, end of year	$ 229,542

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, 2010

	Solid Waste Management Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 16,750
Payments to suppliers and service providers	(64,283)
Payments to employees	(36,211)
Net cash used in operating activities	(83,744)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer in from other funds	83,744
Net cash provided by noncapital financing activities	83,744
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	$ (209,628)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	26,695
Decrease in accounts receivable	1,750
Increase in prepaids	(515)
Decrease in accrued expenses	(373)
Increase in interfund liabilities	327
Increase in landfill postclosure care costs	98,000
Net cash used in operating activities	$ (83,744)

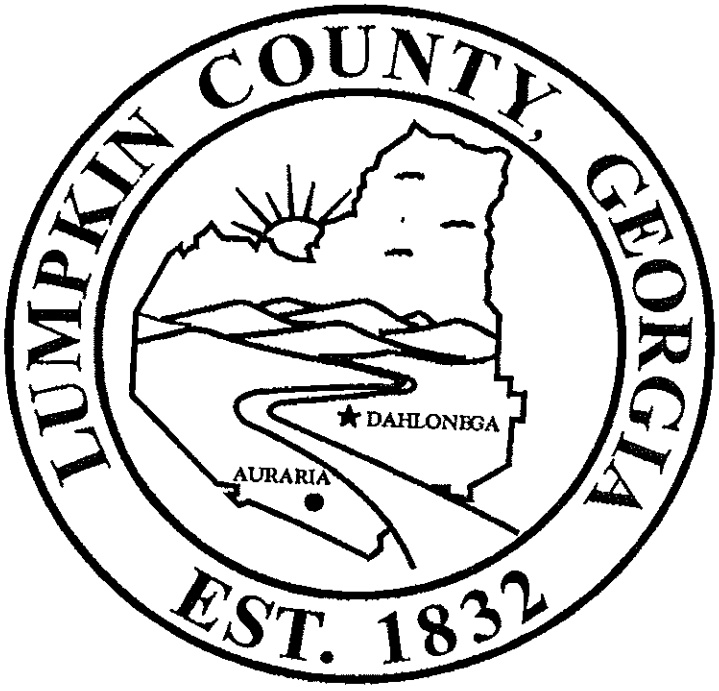
The accompanying notes are an integral part of these financial statements.

LUMPKIN COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2010

ASSETS	Agency Funds
Cash	$ 598,611
Taxes receivable	3,328,559
Accounts receivable	15,317
Total assets	$ 3,942,487
LIABILITIES	
Due to others	$ 613,928
Uncollected taxes	3,328,559
Total liabilities	$ 3,942,487

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



Notes to Financial Statements

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

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

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

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

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

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *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.

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.

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. All other revenue items are considered to be measurable and available only when cash is received by the County. The County reports the following major governmental funds:

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

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

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

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables

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

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. 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.

I. 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 assets. Bond premiums and discounts, as well as issuance costs, 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 reported as deferred charges and amortized over the term of the related debt.

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.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

K. 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.

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 Assets

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. 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 $23,461,202 difference are as follows:

Notes payable	$	(13,783,607)
Certificates of participation		(9,455,000)
Discount on issuance of certificates of participation		79,918
Debt issuance costs		217,728
Accrued interest		(250,681)
Compensated absences		(269,560)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - govemmental activities*	$	(23,461,202)

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 assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $1,747,806 difference are as follows:

Capital outlay	$	3,480,387
Depreciation expense		(1,732,581)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	1,747,806

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

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

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., donations and sales) is to decrease net assets." The details of this $34,902 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 assets differs from the change in fund balance by the net book value of the capital assets sold.	$	(78,721)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		43,819
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *change in net assets of governmental activities*	$	(34,902)

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 assets." The details of this $1,407,652 difference are as follows:

Principal repayments on certificates of participation	$	135,000
Principal repayments on notes payable		1,299,772
Amortization of discount and costs of issuance		(27,120)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	1,407,652

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

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

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $31,404 difference are as follows:

Compensated absences	$	(766)
Net pension obligation		151
Accrued interest		32,019
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	31,404

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; however, any revisions of the budget must be amended by formal action of the Board of Commissioners in a regular meeting.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

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, 2010. The fund deficits will be reduced through anticipated revenues, lower expenditures and General Fund appropriations, as needed.

Fund	Deficit
SPLOST Fund	$ 320,993
Planning Fund	74,394

C. Excess Expenditures over Appropriations

For the year ended December 31, 2010 expenditures exceeded the budget in the funds and General Fund departments as follows:

Fund/Department	Excess
General Fund - Executive	$ 44,905
General Fund - Human Resources	10,175
General Fund - Tax Commissioner	18,058
General Fund - Public/General Buildings	521
General Fund - Tax Assessor	59,830
General Fund - Emergency Medical Services	63,493
General Fund - Coroner	1,661
General Fund - Other Protection	7,926
General Fund - Public Works Administration	1,620
General Fund - Health	6,964
Drug Rehabilitation Fund	18
Drug Court Fund	8,529
Confiscated Assets Fund	3,011
Technology Fee Fund	4,073

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

C. Excess Expenditures over Appropriations (Continued)

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

NOTE 4. DEPOSITS AND INVESTMENTS

A. Primary Government

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

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2010, the County is insured or collateralized as defined by state statutes and GASB pronouncements.

At December 31, 2010, the County had the following investments that are included in the custodial credit risk discussion above related to deposits:

Investment	Maturity	Fair Value
Certificate of deposit	January 24, 2011	$ 1,681,964
Certificate of deposit	January 24, 2012	1,698,274
Certificate of deposit	January 24, 2013	1,707,742
Certificate of deposit	June 24, 2013	1,708,389
Certificate of deposit	June 24, 2013	665,858
Certificate of deposit	June 24, 2013	666,110
Certificate of deposit	June 24, 2013	266,545
		$ 8,394,882

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.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

B. Component Unit – Development Authority

As of December 31, 2010, the Development Authority had the following investments:

Investment	Maturity		Fair Value
Certificate of deposit	October 27, 2012	$	525,016
Certificate of deposit	June 30, 2011		127,754
		Total $	652,770

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

Custodial credit risk. As of December 31, 2010, all of the Development Authority's deposits and investments were collateralized with the depository financial institution.

C. Component Unit – Water Authority

Custodial credit risk. As of December 31, 2010, all of the Water Authority's deposits and investments were collateralized with the depository financial institution.

D. Component Unit – Hospital Authority

As of December 31, 2010, the Hospital Authority had the following investments:

Investment	Maturity		Fair Value
Federal Home Loan Bank	March 14, 2036	$	106,352
City of Dahlonega Revenue Bonds	July 1, 2030		183,160
Federal Home Loan Mortgage Corp.	July 15, 2019		101,862
Federal Farm Credit Bank	September 16, 2025		185,866
Federal Home Loan Mortgage Corp.	October 15, 2025		186,240
Federal Home Loan Mortgage Corp.	July 15, 2030		91,716
Tennessee Valley Authority	July 15, 2033		99,079
Certificate of deposit	April 7, 2011		103,950
		Total $	1,058,225

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, 2010, all of the Hospital Authority's deposits and investments were collateralized with the depository financial institution.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

E. Component Unit – Health Department

Custodial credit risk. As of June 30, 2010, all of the Health Department's deposits and investments were collateralized with the depository financial institution.

NOTE 5. RECEIVABLES

A. Primary Government

Receivables at December 31, 2010, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Debt Service Fund	SPLOST Fund	Nonmajor Governmental Funds
Receivables:				
Taxes	$ 1,952,784	$ 47,189	$ 323,215	$ 36,315
Other governments	452,280	-	-	385,060
Accounts	925,611	223,460	-	109,956
Gross receivables	3,330,675	270,649	323,215	531,331
Less allowance for uncollectibles	(754,255)	-	-	-
Net receivables	$ 2,576,420	$ 270,649	$ 323,215	$ 531,331

Property taxes for the 2010 fiscal year were levied on November 20, 2009, with property values assessed as of January 1, 2009. Bills are payable on or before December 20, 2009, 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 2010 are for fiscal year 2011. Amounts recorded as a receivable and amounts collected as of December 31, 2010 related to these taxes are recorded as unearned revenue in both the fund and government-wide financial statements.

NOTE 5. RECEIVABLES (CONTINUED)

B. Component Unit – Water Authority

Receivables of the Water Authority, including the applicable allowances for uncollectible accounts, consisted of the following at December 31, 2010:

Receivables:	
Accounts	$ 130,751
Less allowance for uncollectibles	15,615
Net total receivables	$ 115,136

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 19,891,598	$ 98,509	$ -	$ -	$ 19,990,107
Infrastructure land improvements	15,190,242	30,124	-	-	15,220,366
Construction in progress	12,490,146	2,177,541	-	(817,643)	13,850,044
Total capital assets, not being depreciated	47,571,986	2,306,174	-	(817,643)	49,060,517
Capital assets, being depreciated:					
Buildings and improvements	23,202,762	486,525	-	817,643	24,506,930
Machinery and equipment	3,264,950	104,321	-	-	3,369,271
Vehicles	3,524,787	156,941	(205,963)	-	3,475,765
Infrastructure	17,632,766	470,245	(369,415)	-	17,733,596
Total capital assets, being depreciated	47,625,265	1,218,032	(575,378)	817,643	49,085,562
Less accumulated depreciation for:					
Buildings and improvements	4,024,089	471,862	-	-	4,495,951
Machinery and equipment	2,290,684	149,896	-	-	2,440,580
Vehicles	2,188,821	216,538	(185,366)	-	2,219,993
Infrastructure	9,893,188	894,285	(311,291)	-	10,476,182
Total accumulated depreciation	18,396,782	1,732,581	(496,657)	-	19,632,706
Total capital assets, being depreciated, net	29,228,483	(514,549)	(78,721)	817,643	29,452,856
Governmental activities capital assets, net	$ 76,800,469	$ 1,791,625	$ (78,721)	$ -	$ 78,513,373

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	$ 192,103	$ -	$ -	$ 192,103
Total capital assets, not being depreciated	192,103	-	-	192,103
Capital assets, being depreciated:				
Land improvements	291,585	-	-	291,585
Buildings and improvements	542,006	-	-	542,006
Machinery and equipment	95,600	-	-	95,600
Vehicles	52,000	-	-	52,000
Total capital assets, being depreciated	981,191	-	-	981,191
Less accumulated depreciation for:				
Land improvements	211,225	12,085	-	223,310
Buildings and improvements	79,411	12,757	-	92,168
Machinery and equipment	73,757	1,853	-	75,610
Vehicles	46,800	-	-	46,800
Total accumulated depreciation	411,193	26,695	-	437,888
Total capital assets, being depreciated, net	569,998	(26,695)	-	543,303
Business-type activities capital assets, net	$ 762,101	$ (26,695)	$ -	$ 735,406

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	$ 186,854
Judicial	835
Public safety	386,854
Public works	939,499
Health and welfare	15,008
Culture and recreation	194,381
Housing and development	9,150
Total depreciation expense - governmental activities	$ 1,732,581

B. Discretely Presented Component Unit – Development Authority

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 93,915	$ -	$ -	$ 93,915
Total	93,915	-	-	93,915
Capital assets, being depreciated:				
Building	1,377,227	-	-	1,377,227
Total	1,377,227	-	-	1,377,227
Less accumulated depreciation for:				
Building	(165,755)	(28,123)	-	(193,878)
Total	(165,755)	(28,123)	-	(193,878)
Total capital assets, being depreciated, net	1,211,472	(28,123)	-	1,183,349
Total capital assets, net	$ 1,305,387	$ (28,123)	$ -	$ 1,277,264

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Water Authority

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 10,292	$ -	$ -	$ 10,292
Construction in progress	-	8,970	-	8,970
Total	10,292	8,970	-	19,262
Capital assets, being depreciated:				
Infrastructure	5,589,708	46,917	-	5,636,625
Machinery and equipment	17,675	11,846	-	29,521
Vehicles	18,647	-	-	18,647
Total	5,626,030	58,763	-	5,684,793
Less accumulated depreciation for:				
Infrastructure	(1,124,707)	(179,023)	-	(1,303,730)
Machinery and equipment	(17,409)	(366)	-	(17,775)
Vehicles	(8,532)	(3,357)	-	(11,889)
Total	(1,150,648)	(182,746)	-	(1,333,394)
Total capital assets, being depreciated, net	4,475,382	(123,983)	-	4,351,399
Total capital assets, net	$ 4,485,674	$ (115,013)	$ -	$ 4,370,661

D. Discretely Presented Component Unit – Department of Public Health

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 5,337	$ 7,136	$ -	$ 12,473
Total capital assets, being depreciated	5,337	7,136	-	12,473
Less accumulated depreciation for:				
Machinery and equipment	(4,804)	(533)	-	(5,337)
Total accumulated depreciation	(4,804)	(533)	-	(5,337)
Total capital assets, net	$ 533	$ 6,603	$ -	$ 7,136

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2010, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Nonmajor governmental funds	$ 209,019
General Fund	SPLOST Fund	1,270,216
General Fund	Solid Waste Fund	327
Nonmajor governmental funds	General Fund	81,555

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, 2010 were as follows:

Transfers In	Transfers Out	Amount
Nonmajor governmental funds	General Fund	$ 938,280
Nonmajor governmental funds	SPLOST Fund	30,635
Nonmajor governmental funds	Nonmajor govemmental funds	118,353
Solid Waste Fund	General Fund	83,744

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:

Receivable entity	Payable entity	Amount
Development Authority	Lumpkin County General Fund	$ 2,340
Lumpkin County General Fund	Water & Sewerage Authority	20,037

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Certificates of participation	$ 9,590,000	$ -	$ (135,000)	$ 9,455,000	$ 140,000
Less: Discount	(87,200)	-	7,282	(79,918)	-
Total certificates of participation	9,502,800	-	(127,718)	9,375,082	140,000
Notes payable	15,083,379	-	(1,299,772)	13,783,607	1,299,595
Net pension obligation	27,853	-	(151)	27,702	-
Compensated absences	268,794	314,472	(313,706)	269,560	269,560
Governmental activities long-term liabilities	$ 24,882,826	$ 314,472	$ (1,741,347)	$ 23,455,951	$ 1,709,155
Business-type Activities:					
Landfill postclosure costs	$ 408,000	$ 119,188	$ (21,188)	$ 506,000	$ 22,000
Compensated absences	425	1,344	(1,717)	52	52
Business-type activities long-term liabilities	$ 408,425	$ 120,532	$ (22,905)	$ 506,052	$ 22,052

For governmental activities, compensated absences and the net pension obligation are liquidated by the General Fund. The entire amount of compensated absences is shown as current for both governmental and business-type activities because the ending liability is less than the amounts used during the year, and the County expects the hours used during fiscal year 2011 to be consistent with those used during 2010.

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 seg. for the purpose of paying off and retiring a substantial portion of this debt.

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:

Year ending December 31,	Principal	Interest	Total
2011	$ 1,160,000	$ 378,061	$ 1,538,061
2012	1,235,000	301,483	1,536,483
2013	1,315,000	219,781	1,534,781
2014	1,405,000	132,470	1,537,470
2015	550,000	73,543	623,543
2016-2017	1,190,000	60,491	1,250,491
Total	$ 6,855,000	$ 1,165,829	$ 8,020,829

In September 1999, Lumpkin County and the City of Dahlonega borrowed $4,475,000 from the Georgia Environmental Facilities 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, 2010, was $7,076,379 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:

Year ending December 31,	Principal	Interest	Total
2011	$ 118,595	$ 205,606	$ 324,201
2012	122,202	201,999	324,201
2013	125,919	198,282	324,201
2014	129,749	194,452	324,201
2015	133,696	190,506	324,202
2016-2020	732,006	889,001	1,621,007
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	1,332,804	288,204	1,621,008
2041-2045	1,227,220	78,947	1,306,167
Total	$ 6,907,607	$ 4,124,604	$ 11,032,211

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

On December 18, 2007, the County purchased land for $90,000. Of this total, $6,000 was paid at closing and the remaining $84,000 was financed with the seller. The note will be paid over four years and carries a 5% interest rate.

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

Year ending December 31,	Principal	Interest	Total
2011	$ 21,000	$ 1,050	$ 22,050
Total	$ 21,000	$ 1,050	$ 22,050

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

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

Year ending December 31,	Principal	Interest	Total
2011	$ 140,000	$ 356,876	$ 496,876
2012	145,000	352,676	497,676
2013	150,000	348,326	498,326
2014	510,000	343,827	853,827
2015	525,000	328,526	853,526
2016-2020	2,895,000	1,363,284	4,258,284
2021-2025	3,490,000	767,463	4,257,463
2026-2027	1,600,000	100,222	1,700,222
Total	$ 9,455,000	$ 3,961,200	$ 13,416,200

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Conduit debt. In December 2001, the Lumpkin County Public Building Authority issued $5,000,000 in aggregate principal amount of Lumpkin County School District Qualified Zone Academy Project Bonds, Series 2001. The proceeds were used to rehabilitate, repair, renovate, extend and improve Lumpkin County Middle School and Lumpkin County Elementary School. As of December 31, 2010, the amount outstanding related to these bonds is $1,385,581. The obligation of the Lumpkin County School District to make the payment required by the contract is a general obligation of the Lumpkin County School District for which its full faith and credit and taxing power are pledged. The Public Building Authority has no obligation to repay this debt beyond the funds received from the Lumpkin County School District. As a result, these bonds are considered conduit debt for the Public Building Authority and are not reported as liabilities.

Landfill post-closure costs. Effective June 17, 2003, the Lumpkin County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of December 31, 2010, the County has 23 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately $506,000 over the 23 year period. These costs are based on what it would cost to perform all post-closure care in 2010, 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.

NOTE 8. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Development Authority

Debt activity for the year ended December 31, 2010 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	$ 1,464,473	$ -	$ -	$ 1,464,473	$ 1,464,473

Note Payable. The Authority issued a note payable on January 22, 2004 with a financial institution in order to finance the purchase of property. The note is secured by the real estate and lease receipts and will be repaid upon the sale of the property. Because the Authority has not sold the property, the note has been refinanced several times. The balance outstanding as of December 31, 2010 is $1,464,473 with a maturity date of November 5, 2011. Interest is paid monthly at the institution's prime rate plus 1.00%. However, the interest rate will not decrease below 5.25%, thus the interest rate at December 31, 2010 was 5.25%. Interest expense for the year ended December 31, 2010 was $61,348.

C. Discretely Presented Component Unit – Water Authority

Long-term debt activity for the year ended December 31, 2010 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$ 3,025,000	$ -	$ (3,025,000)	$ -	$ -
Note payable	-	2,690,000	-	2,690,000	195,000
Less: deferred charges, net	-	(51,986)	-	(51,986)	-
Total note payable	-	2,638,014	-	2,638,014	195,000
Claims and judgments	-	20,000	-	20,000	7,500
Compensated absences	6,826	6,993	(8,825)	4,994	4,994
Total long-term liabilities	$ 3,031,826	$ 2,665,007	$ (3,033,825)	$ 2,663,008	$ 207,494

Revenue bonds. The Authority issued the 2000 Series bonds for $3,610,000 on November 1, 2000 at a 5.65% rate. The bonds were due in semi-annual installments beginning February 1, 2001, with principal payments to begin on February 1, 2004. The bonds had a maturity date of February 1, 2021. The bonds were issued for the acquisition, construction, installing and equipping of certain improvement projects of the Authority's system.

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

On November 9, 2010, the Authority issued a note payable with a financial institution for the purpose of currently refunding $2,840,000 in aggregate principal of the Series 2000 Revenue Bonds. The reacquisition price of the new debt exceeded the net carrying amount of the old debt by $51,986, creating a deferred accounting loss. The deferred loss is being amortized over the remaining life of the old debt, which is the same as the new debt. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt and complete the refunding totaled $147,034. There was an economic present value gain of $55,937 resulting from the refunding. The effective interest rate is 4.03%.

Note payable. On November 9, 2010, the Authority issued a note payable with a financial institution for the purpose of currently refunding $2,840,000 in aggregate principal of the Series 2000 Revenue Bonds. The note was issued in the amount of $2,690,000 with an interest rate of 4.00%, interest payments due monthly and principal payments due annually on February 1 with the note maturing on February 1, 2021. Notes payable debt service requirements to maturity are as follows:

Fiscal year ending December 31,	Principal	Interest	Total
2011	$ 195,000	$ 100,450	$ 295,450
2012	205,000	92,283	297,283
2013	215,000	83,717	298,717
2014	220,000	74,933	294,933
2015	230,000	65,767	295,767
2016-2020	1,325,000	174,417	1,499,417
2021	300,000	1,000	301,000
Total	$ 2,690,000	$ 592,567	$ 3,282,567

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, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 53,411	$ 42,644	$ (36,456)	$ 59,599	$ 36,000

NOTE 9. DEFINED BENEFIT PLAN

Plan Description

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

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

Funding Policy

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

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the year beginning January 1, 2010, (the most recent actuarial valuation date) are as follows:

	January 1, 2010	January 1, 2009
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 226,003	$ 249,430
Interest on Net Pension Obligation	2,159	(7,075)
Amortization of Net Pension Obligation	(2,310)	7,571
Annual Pension Cost	$ 225,852	$ 249,926

Derivation of Net Pension Obligation	
Annual Pension Cost for Current Year	$ 225,852
Actual Contributions to Plan for Current Year	226,003
Increase in Net Pension Obligation	(151)
Net Pension Obligation (Asset) as of December 31, 2009	27,853
Net Pension Obligation (Asset) as of December 31, 2010	$ 27,702

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Basis of Valuation	
Current Valuation Date	January 1, 2010
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	5.0% - 7.5% based on age
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (closed)
Remaining Amortization Period	10

The following is a schedule of funding progress:

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
12/31/2010	$ 1,367,926	$ 2,197,884	$ 829,958	62.24 %	$ 4,392,860	18.89 %

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2010.

Trend Information for The Plan				
Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/10	$ 225,852	$ 226,003	100.1 %	$ 27,702
1/1/09	249,926	130,778	52.3	27,853
1/1/08	219,680	235,876	107.4	(91,295)

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, 2010, the County's covered payroll for employees participating in this plan was $4,359,502 and total payroll was $8,594,080. The County's contribution was $174,380 and employee contributions were $265,049.

NOTE 11. RISK MANAGEMENT

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

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

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

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

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

NOTE 12. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at December 31, 2010, the County has contractual commitments on uncompleted contracts of approximately $32,511.

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.

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 Mountain Regional Development Center (RDC) and is required to pay annual dues thereto. During the year ended December 31, 2010, the County paid $24,048 in such dues. Membership in the RDC 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 RDC 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 Mountain Regional Development Center
P.O. Box 1720
Gainesville, GA 30503

NOTE 13. JOINT VENTURE (CONTINUED)

The County participates with Union and Towns Counties in the North Georgia Waste Management Authority. The Authority studied solid waste disposal issues, developed a plan to recycle waste paper and has leased those facilities to private entities. Lumpkin County has an ongoing financial interest and obligation for funding debt service requirements. The participating counties are annually assessed varying amounts to cover the Authority's inability to service its debt. During the year ended December 31, 2010, the County made no payments to the Authority. As of December 31, 2010, the Authority does not have any debt outstanding. Separate financial statements can be obtained from their office at:

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

NOTE 14. HOTEL/MOTEL TAX

The County has levied a 6% lodging tax. During the year ended December 31, 2010, the County collected $106,326 in hotel/motel taxes. Of this amount $104,742, or 99%, was expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.



Required
Supplementary Information

RSI

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LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 12,611,552	$ 12,611,552	$ 12,705,660	$ 94,108
Licenses and permits	40,000	40,000	40,089	89
Fines and forfeitures	511,050	515,050	581,341	66,291
Charges for services	2,351,605	2,555,210	2,682,178	126,968
Interest income	64,110	64,110	24,281	(39,829)
Intergovernmental	551,648	620,315	650,598	30,283
Contributions and donations	15,000	15,000	40,073	25,073
Other	99,233	99,233	151,742	52,509
Total revenues	16,244,198	16,520,470	16,875,962	355,492
Expenditures:				
Current:				
General government:				
Legislative	128,778	128,778	122,053	6,725
Executive	284,862	249,862	294,767	(44,905)
Board of elections	205,698	220,698	178,051	42,647
Human resources	161,211	176,569	186,744	(10,175)
Financial administration	380,323	425,323	400,429	24,894
Data processing	208,186	208,186	175,220	32,966
Tax commissioner	313,568	348,740	366,798	(18,058)
Public/General buildings	721,531	661,531	662,052	(521)
Customer service	305,081	180,081	108,461	71,620
Tax assessor	391,489	394,495	454,325	(59,830)
Risk management	34,000	34,000	20,254	13,746
Total general government	3,134,727	3,028,263	2,969,154	59,109
Judicial:				
Judicial administration	374,269	454,269	452,003	2,266
Superior court	261,661	206,661	163,774	42,887
Clerk superior court	501,839	501,839	468,811	33,028
District attorney	32,670	36,670	34,783	1,887
Magistrate court	268,819	268,819	258,880	9,939
Probate court	231,937	231,937	224,425	7,512
Total judicial	1,671,195	1,700,195	1,602,676	97,519
Public safety:				
Police	46,955	46,929	27,081	19,848
Fire	2,199,455	2,199,455	1,905,633	293,822
Sheriff	5,163,345	5,281,371	5,215,029	66,342
Emergency medical services	169,508	169,508	233,001	(63,493)
Coroner	28,483	28,483	30,144	(1,661)
Other protection	153,640	208,640	216,566	(7,926)
Total public safety	7,761,386	7,934,386	7,627,454	306,932
Public works:				
Public works administration	50,076	50,076	51,696	(1,620)
Highways and streets	983,301	983,301	850,269	133,032
Sanitation and wastewater	165,767	165,767	149,083	16,684
Total public works	1,199,144	1,199,144	1,051,048	148,096

(Continued)

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health	$ 271,865	$ 271,865	$ 278,829	$ (6,964)
Welfare	20,000	20,000	20,000	-
Community services	350,658	350,658	300,602	50,056
Total health and welfare	642,523	642,523	599,431	43,092
Culture and recreation:				
Participant recreation	677,412	677,412	639,100	38,312
Special facilities	121,843	121,843	113,478	8,365
Library	385,078	385,078	385,078	-
Total culture and recreation	1,184,333	1,184,333	1,137,656	46,677
Housing and development:				
Conservation	57,852	57,852	55,117	2,735
Economic development	62,310	65,915	40,219	25,696
Total housing and development	120,162	123,767	95,336	28,431
Debt service:				
Principal	41,661	41,661	96,971	(55,310)
Interest	77,379	77,379	76,285	1,094
Total debt service	119,040	119,040	173,256	(54,216)
Total expenditures	15,832,510	15,931,651	15,256,011	675,640
Excess of revenues over expenditures	411,688	588,819	1,619,951	1,031,132
Other financing uses:				
Transfers out	(824,490)	(1,165,336)	(1,022,024)	143,312
Total other financing uses	(824,490)	(1,165,336)	(1,022,024)	143,312
Net change in fund balances	(412,802)	(576,517)	597,927	1,174,444
Fund balances, beginning of year	5,289,689	5,289,689	5,289,689	-
Fund balances, end of year	$ 4,876,887	$ 4,713,172	$ 5,887,616	$ 1,174,444

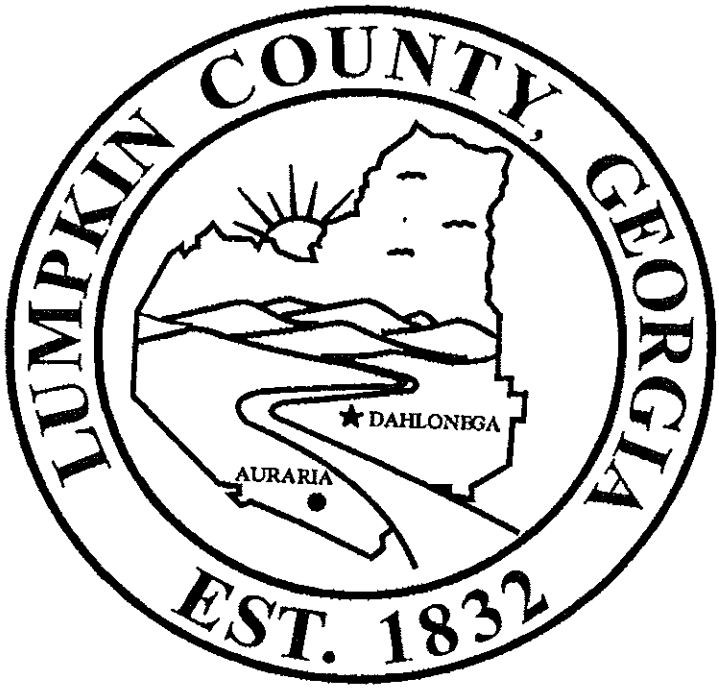
LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FUNDING PROGRESS

RETIREMENT PLAN

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
December 31,2010	$ 1,367,926	$ 2,197,884	$ 829,958	62.2%	$ 4,392,860	18.9%
December 31,2009	1,124,824	2,016,675	891,851	55.8%	4,759,587	18.7%
December 31,2008	1,006,023	1,694,220	688,197	59.4%	4,536,121	15.2%
December 31,2007	779,863	1,309,860	529,997	59.5%	3,725,143	14.2%
December 31,2006	582,296	1,136,212	553,916	51.2%	3,680,943	15.0%
December 31,2005	408,935	1,064,961	656,026	38.4%	3,525,890	18.6%

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



Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

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.

Law Library Fund - to account for the revenues and related expenditures of operating the County's Law Library.

Emergency Telephone System Fund - to account for the monthly 911 charge to help fund the cost of providing emergency 911 services.

Drug Court Fund – to account for funds collected and the related expenditures of the Drug Court established by Lumpkin and White Counties.

Juvenile Services Fund - to account for funds collected to be used for law enforcement activities.

Confiscated Assets Fund - to account for the use of confiscated assets by the County's Police Department.

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

Public Defender Fund - to account for funds from contributing counties to be used to maintain a circuit public defender's office.

Technology Fee Fund - to account for funds collected from fines to be used by Magistrate and Probate courts for technology related expenditures.

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.

Planning Fund – to account for the revenues and expenditures related to the operations of the County's Planning Department.

Capital Projects Funds

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

Community Development Block Grant Fund - to account for CDBG grant funds received and the related expenditures.

LUMPKIN COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Special Revenue Funds						
ASSETS	Drug Rehabilitation Fund	Law Library Fund	Emergency Telephone System Fund	Drug Court Fund	Juvenile Services Fund	Confiscated Assets Fund	Special Programs Fund
Cash and cash equivalents	$ 1,210	$ 155,662	$ -	$ 26,922	$ -	$ 1,581	$ 33,822
Receivables, net of allowance for uncollectibles	-	-	92,104	6,678	5,094	-	-
Due from other funds	60,577	555	-	-	2,165	-	-
Prepaid items	4,928	-	15,643	-	-	-	-
Total assets	$ 66,715	$ 156,217	$ 107,747	$ 33,600	$ 7,259	$ 1,581	$ 33,822
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ 425	$ 7,252	$ -	$ -	$ -
Due to other funds	-	-	-	5	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	-	425	7,257	-	-	-
FUND BALANCES (DEFICIT)							
Reserved for prepaids	4,928	-	15,643	-	-	-	-
Unreserved, undesignated	61,787	156,217	91,679	26,343	7,259	1,581	33,822
Total fund balances (deficit)	66,715	156,217	107,322	26,343	7,259	1,581	33,822
Total liabilities and fund balances	$ 66,715	$ 156,217	$ 107,747	$ 33,600	$ 7,259	$ 1,581	$ 33,822

Special Revenue Funds					Capital Projects Funds		
Public Defender Fund	Technology Fee Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Planning Fund	Capital Projects Fund	Community Development Block Grant Fund	Total Nonmajor Governmental Funds
$ 84,736	$ 30,638	$ -	$ 33,779	$ 93,525	$ -	$ 1,000	$ 462,875
35,347	-	341,715	6,080	36,315	-	7,998	531,331
-	18,258	-	-	-	-	-	81,555
26,049	-	2,582	-	5,452	-	-	54,654
$ 146,132	$ 48,896	$ 344,297	$ 39,859	$ 135,292	$ -	$ 8,998	$ 1,130,415
$ 16	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,693
17	3,466	54,148	36,106	115,277	-	-	209,019
-	-	243,169	-	94,409	-	7,998	345,576
33	3,466	297,317	36,106	209,686	-	7,998	562,288
26,049	-	2,582	-	5,452	-	-	54,654
120,050	45,430	44,398	3,753	(79,846)	-	1,000	513,473
146,099	45,430	46,980	3,753	(74,394)	-	1,000	568,127
$ 146,132	$ 48,896	$ 344,297	$ 39,859	$ 135,292	$ -	$ 8,998	$ 1,130,415

LUMPKIN COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2010

	Special Revenue Funds						
	Drug Rehabilitation Fund	Law Library Fund	Emergency Telephone System Fund	Drug Court Fund	Juvenile Services Fund	Confiscated Assets Fund	Special Programs Fund
Revenues:							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-
Fines and forfeitures	54,687	19,588	-	-	-	4,093	-
Charges for services	-	-	488,312	56,776	2,450	-	53,033
Interest income	-	-	-	109	-	6	10
Intergovernmental	-	-	-	30,080	7,430	-	-
Contributions and donations	-	-	-	58,909	-	-	7,262
Other revenues	-	-	-	5,338	-	-	-
Total revenues	54,687	19,588	488,312	151,212	9,880	4,099	60,305
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Judicial	5,306	29,599	-	191,662	7,430	-	-
Public safety	8,858	-	595,738	-	-	4,511	57,208
Public works	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	14,164	29,599	595,738	191,662	7,430	4,511	57,208
Excess (deficiency) of revenues over expenditures	40,523	(10,011)	(107,426)	(40,450)	2,450	(412)	3,097
Other financing sources (uses):							
Transfers in	-	-	161,301	9,854	-	-	-
Transfers out	(9,854)	-	-	-	-	-	-
Total other financing sources (uses)	(9,854)	-	161,301	9,854	-	-	-
Net change in fund balances	30,669	(10,011)	53,875	(30,596)	2,450	(412)	3,097
Fund balances (deficit), beginning of year	36,046	166,228	53,447	56,939	4,809	1,993	30,725
Fund balances (deficit), end of year	$ 66,715	$ 156,217	$ 107,322	$ 26,343	$ 7,259	$ 1,581	$ 33,822

Special Revenue Funds					Capital Projects Funds		
Public Defender Fund	Technology Fee Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Planning Fund	Capital Projects Fund	Community Development Block Grant Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 106,326	$ 382,412	$ -	$ -	$ 488,738
-	-	-	-	91,232	-	-	91,232
-	-	-	-	-	-	-	78,368
-	25,447	-	-	4,334	-	-	630,352
395	-	-	98	1,099	-	-	1,717
247,624	-	277,517	-	-	-	444,247	1,006,898
-	-	4,375	-	-	-	-	70,546
25,523	-	-	-	-	-	-	30,861
273,542	25,447	281,892	106,424	479,077	-	444,247	2,398,712
-	-	2,376	-	-	-	-	2,376
344,722	22,273	362,521	-	-	18,662	-	982,175
-	-	317,165	-	-	-	-	983,480
-	-	-	-	-	4,732	-	4,732
-	-	-	104,742	220,518	-	-	325,260
-	-	-	-	-	215,680	-	215,680
-	-	-	-	-	41,000	-	41,000
-	-	-	-	-	2,050	-	2,050
344,722	22,273	682,062	104,742	220,518	282,124	-	2,556,753
(71,180)	3,174	(400,170)	1,682	258,559	(282,124)	444,247	(158,041)
101,430	-	385,411	-	-	290,138	139,134	1,087,268
-	-	(108,499)	-	-	-	-	(118,353)
101,430	-	276,912	-	-	290,138	139,134	968,915
30,250	3,174	(123,258)	1,682	258,559	8,014	583,381	810,874
115,849	42,256	170,238	2,071	(332,953)	(8,014)	(582,381)	(242,747)
$ 146,099	$ 45,430	$ 46,980	$ 3,753	$ (74,394)	$ -	$ 1,000	$ 568,127

LUMPKIN COUNTY, GEORGIA
DRUG REHABILITATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 24,000	$ 24,000	$ 54,687	$ 30,687
Total revenues	24,000	24,000	54,687	30,687
Expenditures:				
Current:				
Judicial	-	5,306	5,306	-
Public safety	8,840	8,840	8,858	(18)
Total expenditures	8,840	14,146	14,164	(18)
Excess of revenues over expenditures	15,160	9,854	40,523	30,669
Other financing uses:				
Transfers out	(15,160)	(9,854)	(9,854)	-
Total other financing uses	(15,160)	(9,854)	(9,854)	-
Net changes in fund balances	-	-	30,669	30,669
Fund balances, beginning of year	36,046	36,046	36,046	-
Fund balances, end of year	$ 36,046	$ 36,046	$ 66,715	$ 30,669

LUMPKIN COUNTY, GEORGIA
LAW LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 15,000	$ 15,000	$ 19,588	$ 4,588
Total revenues	15,000	15,000	19,588	4,588
Expenditures:				
Current:				
Judicial	30,000	30,000	29,599	401
Total expenditures	30,000	30,000	29,599	401
Net changes in fund balances	(15,000)	(15,000)	(10,011)	4,989
Fund balances, beginning of year	166,228	166,228	166,228	-
Fund balances, end of year	$ 151,228	$ 151,228	$ 156,217	$ 4,989

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, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 385,400	$ 455,006	$ 488,312	$ 33,306
Total revenues	385,400	455,006	488,312	33,306
Expenditures:				
Current:				
Public safety	578,422	648,028	595,738	52,290
Total expenditures	578,422	648,028	595,738	52,290
Deficiency of revenues over expenditures	(193,022)	(193,022)	(107,426)	85,596
Other financing sources:				
Transfers in	193,022	193,022	161,301	(31,721)
Total other financing sources	193,022	193,022	161,301	(31,721)
Net changes in fund balances	-	-	53,875	53,875
Fund balances, beginning of year	53,447	53,447	53,447	-
Fund balances, end of year	$ 53,447	$ 53,447	$ 107,322	$ 53,875

LUMPKIN COUNTY, GEORGIA
DRUG COURT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 39,000	$ 39,000	$ 56,776	$ 17,776
Intergovernmental	-	38,402	30,080	(8,322)
Interest income	200	200	109	(91)
Contributions	58,909	58,909	58,909	-
Miscellaneous	3,000	3,000	5,338	2,338
Total revenues	101,109	139,511	151,212	11,701
Expenditures:				
Current:				
Judicial	150,037	183,133	191,662	(8,529)
Total expenditures	150,037	183,133	191,662	(8,529)
Deficiency of revenues over expenditures	(48,928)	(43,622)	(40,450)	3,172
Other financing sources:				
Transfers in	15,160	9,854	9,854	-
Total other financing sources	15,160	9,854	9,854	-
Net changes in fund balances	(33,768)	(33,768)	(30,596)	3,172
Fund balances, beginning of year	56,939	56,939	56,939	-
Fund balances, end of year	$ 23,171	$ 23,171	$ 26,343	$ 3,172

LUMPKIN COUNTY, GEORGIA
JUVENILE SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ -	$ -	$ 2,450	$ 2,450
Intergovernmental	11,060	11,060	7,430	(3,630)
Total revenues	11,060	11,060	9,880	(1,180)
Expenditures:				
Current:				
Judicial	11,060	11,060	7,430	3,630
Total expenditures	11,060	11,060	7,430	3,630
Net changes in fund balances	-	-	2,450	2,450
Fund balances, beginning of year	4,809	4,809	4,809	-
Fund balances, end of year	$ 4,809	$ 4,809	$ 7,259	$ 2,450

LUMPKIN COUNTY, GEORGIA
CONFISCATED ASSETS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 1,500	$ 1,500	$ 4,093	$ 2,593
Interest income	-	-	6	6
Total revenues	1,500	1,500	4,099	2,599
Expenditures:				
Current:				
Public safety	1,500	1,500	4,511	(3,011)
Total expenditures	1,500	1,500	4,511	(3,011)
Net changes in fund balances	-	-	(412)	(412)
Fund balances, beginning of year	1,993	1,993	1,993	-
Fund balances, end of year	$ 1,993	$ 1,993	$ 1,581	$ (412)

LUMPKIN COUNTY, GEORGIA
SPECIAL PROGRAMS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 20,000	$ 50,000	$ 53,033	$ 3,033
Contributions and donations	10,000	10,000	7,262	(2,738)
Interest income	100	100	10	(90)
Total revenues	30,100	60,100	60,305	205
Expenditures:				
Current:				
Public safety	30,100	60,100	57,208	2,892
Total expenditures	30,100	60,100	57,208	2,892
Net changes in fund balances	-	-	3,097	3,097
Fund balances, beginning of year	30,725	30,725	30,725	-
Fund balances, end of year	$ 30,725	$ 30,725	$ 33,822	$ 3,097

LUMPKIN COUNTY, GEORGIA
PUBLIC DEFENDER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 247,126	$ 247,126	$ 247,624	$ 498
Interest income	100	100	395	295
Miscellaneous	-	25,523	25,523	-
Total revenues	247,226	272,749	273,542	793
Expenditures:				
Current:				
Judicial	348,657	374,180	344,722	29,458
Total expenditures	348,657	374,180	344,722	29,458
Deficiency of revenues over expenditures	(101,431)	(101,431)	(71,180)	30,251
Other financing sources:				
Transfers in	101,431	101,431	101,430	(1)
Total other financing sources	101,431	101,431	101,430	(1)
Net changes in fund balances	-	-	30,250	30,250
Fund balances, beginning of year	115,849	115,849	115,849	-
Fund balances, end of year	$ 115,849	$ 115,849	$ 146,099	$ 30,250

LUMPKIN COUNTY, GEORGIA
TECHNOLOGY FEE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 18,200	$ 18,200	$ 25,447	$ 7,247
Total revenues	18,200	18,200	25,447	7,247
Expenditures:				
Current:				
Judicial	18,200	18,200	22,273	(4,073)
Total expenditures	18,200	18,200	22,273	(4,073)
Net changes in fund balances	-	-	3,174	3,174
Fund balances, beginning of year	42,256	42,256	42,256	-
Fund balances, end of year	$ 42,256	$ 42,256	$ 45,430	$ 3,174

LUMPKIN COUNTY, GEORGIA
MULTIPLE GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 186,996	$ 186,996	$ 277,517	$ 90,521
Contributions and donations	203,000	203,000	4,375	(198,625)
Miscellaneous	22,013	22,013	-	(22,013)
Total revenues	412,009	412,009	281,892	(130,117)
Expenditures:				
Current:				
General government	78,000	78,000	2,376	75,624
Public safety	241,933	327,221	317,165	10,056
Judicial	88,301	245,554	362,521	(116,967)
Capital outlay	207,720	207,720	-	207,720
Total expenditures	615,954	858,495	682,062	176,433
Deficiency of revenues over expenditures	(203,945)	(446,486)	(400,170)	46,316
Other financing sources (uses):				
Transfers in	203,945	446,486	385,411	(61,075)
Transfers out	-	-	(108,499)	(108,499)
Total other financing sources (uses)	203,945	446,486	276,912	(169,574)
Net changes in fund balances	-	-	(123,258)	(123,258)
Fund balances, beginning of year	170,238	170,238	170,238	-
Fund balances, end of year	$ 170,238	$ 170,238	$ 46,980	$ (123,258)

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, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Hotel/Motel taxes	$ 75,000	$ 108,000	$ 106,326	$ (1,674)
Interest	50	50	98	48
Total revenues	75,050	108,050	106,424	(1,626)
Expenditures:				
Current:				
Housing and development	75,000	108,000	104,742	3,258
Total expenditures	75,000	108,000	104,742	3,258
Excess of revenues over expenditures	50	50	1,682	1,632
Other financing uses:				
Transfers out	(50)	(50)	-	50
Total other financing uses	(50)	(50)	-	50
Net changes in fund balances	-	-	1,682	1,682
Fund balances, beginning of year	2,071	2,071	2,071	-
Fund balances, end of year	$ 2,071	$ 2,071	$ 3,753	$ 1,682

LUMPKIN COUNTY, GEORGIA
PLANNING FUND

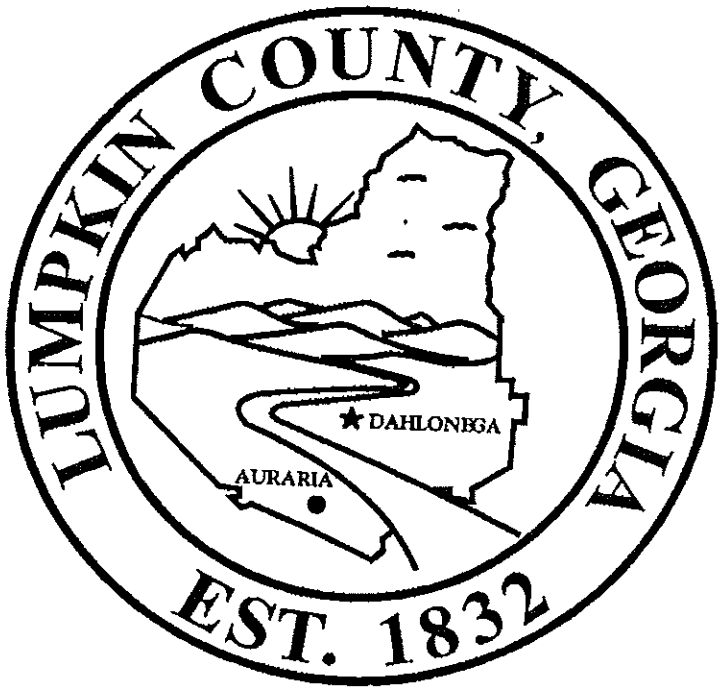
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 395,084	$ 395,084	$ 382,412	$ (12,672)
Licenses and permits	158,000	158,000	91,232	(66,768)
Charges for services	15,000	15,000	4,334	(10,666)
Interest income	-	-	1,099	1,099
Total revenues	568,084	568,084	479,077	(89,007)
Expenditures:				
Current:				
Housing and development	233,091	233,091	220,518	12,573
Total expenditures	233,091	233,091	220,518	12,573
Excess of revenues over expenditures	334,993	334,993	258,559	(76,434)
Other financing uses:				
Transfers out	(334,993)	(334,993)	-	334,993
Total other financing uses	(334,993)	(334,993)	-	334,993
Net changes in fund balances	-	-	258,559	258,559
Fund balances (deficit), beginning of year	(332,953)	(332,953)	(332,953)	-
Fund balances (deficit), end of year	$ (332,953)	$ (332,953)	$ (74,394)	$ 258,559

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, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 184,752	$ 184,752	$ 196,488	$ 11,736
Investment income	301,500	301,500	421,632	120,132
Total revenues	486,252	486,252	618,120	131,868
Expenditures:				
Debt service:				
Principal	1,161,802	1,161,802	1,161,801	1
Interest	583,242	583,242	583,241	1
Total expenditures	1,745,044	1,745,044	1,745,042	2
Net change in fund balances	(1,258,792)	(1,258,792)	(1,126,922)	131,870
Fund balances, beginning of year	10,369,608	10,369,608	10,369,608	-
Fund balances, end of year	$ 9,110,816	$ 9,110,816	$ 9,242,686	$ 131,870



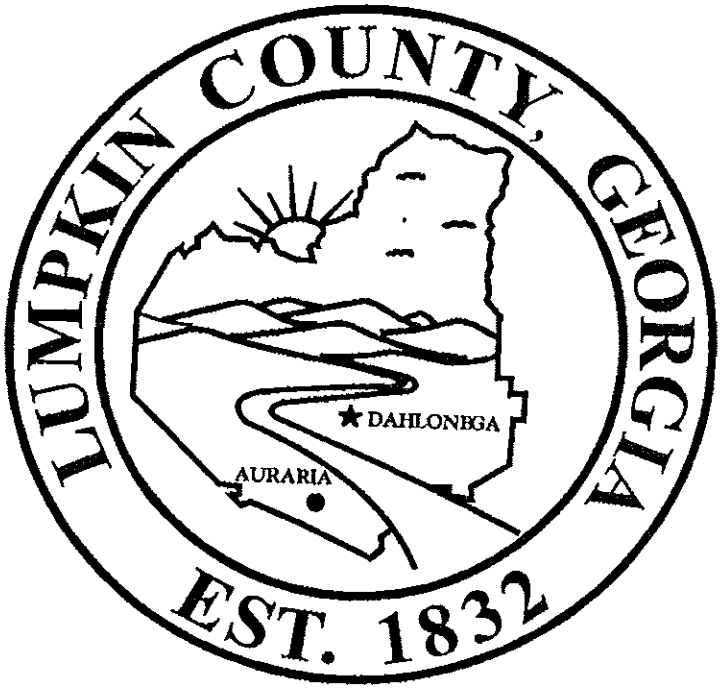
Supplementary Information

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2010

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
1999 SPLOST					
Roads, streets and bridges	$ 5,000,000	$ 5,421,494	$ 5,421,494	$ -	$ 5,421,494
Construct and equip three fire stations and detention center	5,000,000	8,383,859	6,002,092	-	6,002,092
Total 1999 SPLOST	$ 10,000,000	$ 13,805,353	$ 11,423,586	$ -	$ 11,423,586
2003 SPLOST					
Debt service - Public Building Authority	$ 15,750,000	$ 15,750,000	$ 10,642,023	$ 1,539,880	$ 12,181,903
2008 SPLOST					
Judicial Facilities	$ 14,000,000	$ 14,000,000	$ 3,097,899	$ 2,343,040	$ 5,440,939
Water & Sewer Infrastructure Expansion	4,000,000	4,000,000	-	-	-
Library Facilities	4,000,000	4,000,000	322,784	-	322,784
Roads & Bridges	3,000,000	3,000,000	-	376,618	376,618
Administrative Facilities	1,000,000	1,000,000	-	887,854	887,854
Public Safety Vehicles	1,376,000	1,376,000	-	156,941	156,941
Park & Recreation Facilities	1,000,000	1,000,000	985,575	-	985,575
Industrial Development Property	1,000,000	1,000,000	-	-	-
Fire Protection Facilities	600,000	600,000	-	84,964	84,964
Public Warning System	250,000	250,000	-	-	-
Public Works Equipment	250,000	250,000	-	-	-
E911 Equipment	240,000	240,000	-	-	-
City of Dahlonega Water Treatment Facilities	4,284,000	4,284,000	938,124	503,938	1,442,062
Total 2008 SPLOST	$ 35,000,000	$ 35,000,000	$ 5,344,382	$ 4,353,355	$ 9,697,737
2003 SPLOST Expenditures disbursed from Debt Service Fund				$ 1,539,880	
Total SPLOST Fund Expenditures				$ 4,353,355	

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Agency Funds

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, 2010

ASSETS	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total
Cash	$ 337,640	$ 15,289	$ 239,609	$ 5,132	$ 941	$ 598,611
Taxes receivable	3,328,559	-	-	-	-	3,328,559
Accounts receivable	-	15,317	-	-	-	15,317
Total assets	$ 3,666,199	$ 30,606	$ 239,609	$ 5,132	$ 941	$ 3,942,487
LIABILITIES						
Due to others	$ 337,640	$ 30,606	$ 239,609	$ 5,132	$ 941	$ 613,928
Uncollected taxes	3,328,559	-	-	-	-	3,328,559
Total liabilities	$ 3,666,199	$ 30,606	$ 239,609	$ 5,132	$ 941	$ 3,942,487

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LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Balance January 1, 2010	Increases	Decreases	Balance December 31, 2010
Tax Commissioner				
ASSETS				
Cash	$ 6,446,870	$ 26,313,043	$ (32,422,273)	$ 337,640
Taxes receivable	4,185,262	14,247,727	(15,104,430)	3,328,559
Total assets	$ 10,632,132	$ 40,560,770	$ (47,526,703)	$ 3,666,199
LIABILITIES				
Due to others	$ 6,446,870	$ 26,313,043	$ (32,422,273)	$ 337,640
Uncollected taxes	4,185,262	14,247,727	(15,104,430)	3,328,559
Total liabilities	$ 10,632,132	$ 40,560,770	$ (47,526,703)	$ 3,666,199
Sheriff				
ASSETS				
Cash	$ 25,569	$ 98,799	$ (109,079)	$ 15,289
Accounts receivable	13,617	15,317	(13,617)	15,317
Total assets	$ 39,186	$ 114,116	$ (122,696)	$ 30,606
LIABILITIES				
Due to others	$ 39,186	$ 114,116	$ (122,696)	$ 30,606
Total liabilities	$ 39,186	$ 114,116	$ (122,696)	$ 30,606
Clerk of Courts				
ASSETS				
Cash	$ 157,420	$ 1,400,926	$ (1,318,737)	$ 239,609
Total assets	$ 157,420	$ 1,400,926	$ (1,318,737)	$ 239,609
LIABILITIES				
Due to others	$ 157,420	$ 1,400,926	$ (1,318,737)	$ 239,609
Total liabilities	$ 157,420	$ 1,400,926	$ (1,318,737)	$ 239,609

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Balance January 1, 2010	Increases	Decreases	Balance December 31, 2010
Probate Court				
ASSETS				
Cash	$ 7,425	$ 399,562	$ (401,855)	$ 5,132
Total assets	$ 7,425	$ 399,562	$ (401,855)	$ 5,132
LIABILITIES				
Due to others	$ 7,425	$ 399,562	$ (401,855)	$ 5,132
Total liabilities	$ 7,425	$ 399,562	$ (401,855)	$ 5,132
Magistrate Court				
ASSETS				
Cash	$ 288	$ 53,663	$ (53,010)	$ 941
Total assets	$ 288	$ 53,663	$ (53,010)	$ 941
LIABILITIES				
Due to others	$ 288	$ 53,663	$ (53,010)	$ 941
Total liabilities	$ 288	$ 53,663	$ (53,010)	$ 941
Total Agency Funds				
ASSETS				
Cash	$ 6,637,572	$ 28,265,993	$ (34,304,954)	$ 598,611
Taxes receivable	4,185,262	14,247,727	(15,104,430)	3,328,559
Accounts receivable	13,617	15,317	(13,617)	15,317
Total assets	$ 10,836,451	$ 42,529,037	$ (49,423,001)	$ 3,942,487
LIABILITIES				
Due to others	$ 6,651,189	$ 28,281,310	$ (34,318,571)	$ 613,928
Uncollected taxes	4,185,262	14,247,727	(15,104,430)	3,328,559
Total liabilities	$ 10,836,451	$ 42,529,037	$ (49,423,001)	$ 3,942,487

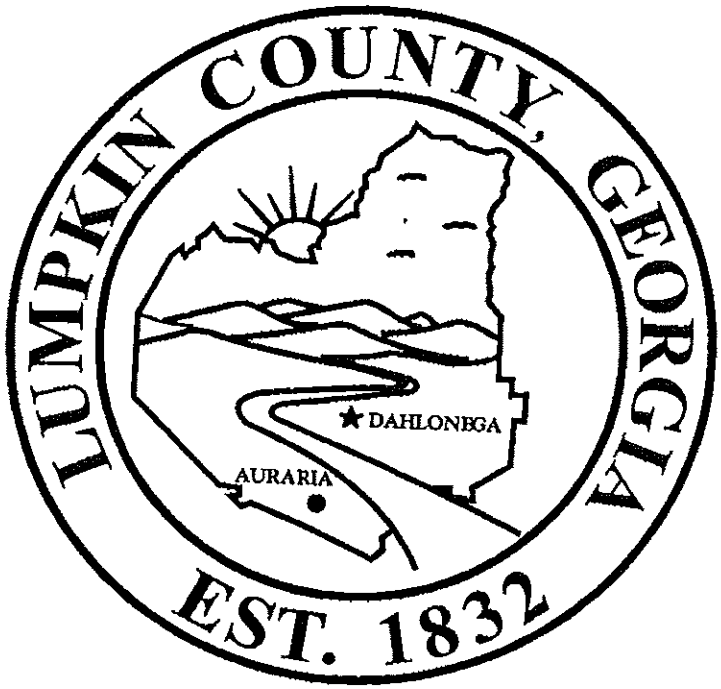
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LUMPKIN COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - HOSPITAL AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2010

	Hospital Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	$ (15,549)
Net cash used in operating activities	(15,549)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(701,451)
Sales of investments	700,000
Interest received	49,425
Net cash provided by investing activities	47,974
Net increase in cash and cash equivalents	32,425
Cash and cash equivalents:	
Beginning of year	120,731
End of year	$ 153,156
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (15,549)
Net cash used in operating activities	$ (15,549)
NON-CASH INVESTING ACTIVITIES	
Unrealized loss on investments	$ (6,559)

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Statistical Section

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.

Page

Financial Trends ..... **79 - 85**

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 ..... **86 - 90**

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

Debt Capacity ..... **91 - 94**

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 ..... **95 and 96**

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 ..... **97 - 99**

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. The government implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

LUMPKIN COUNTY, GEORGIA

NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities								
Invested in capital assets, net of related debt	$ 55,355	$ 52,684	$ 49,322	$ 49,013	$ 45,080	$ 42,989	$ 40,372	$ 39,257
Restricted	9,243	11,484	11,484	11,783	9,734	7,321	5,732	3,528
Unrestricted	6,744	5,583	5,627	3,489	5,757	4,947	5,508	7,697
Total governmental activities net assets	$ 71,342	$ 69,751	$ 66,433	$ 64,285	$ 60,571	$ 55,257	$ 51,612	$ 50,482
Business-type activities								
Invested in capital assets, net of related debt	$ 735	$ 762	$ 798	$ 834	$ 870	$ 849	$ 548	$ 544
Restricted	-	-	-	-	-	-	-	-
Unrestricted	(506)	(407)	(419)	(440)	(430)	(321)	(446)	(464)
Total business-type activities net assets	$ 229	$ 355	$ 379	$ 394	$ 440	$ 528	$ 102	$ 80
Primary government								
Invested in capital assets, net of related debt	$ 56,090	$ 53,446	$ 50,120	$ 49,847	$ 45,950	$ 43,838	$ 40,920	$ 39,801
Restricted	9,243	11,484	11,484	11,783	9,734	7,321	5,732	3,528
Unrestricted	6,238	5,176	5,208	3,049	5,327	4,626	5,062	7,233
Total primary government net assets	$ 71,571	$ 70,106	$ 66,812	$ 64,679	$ 61,011	$ 55,785	$ 51,714	$ 50,562

LUMPKIN COUNTY, GEORGIA

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

	2010	2009	2008	2007	2006	2005	2004	2003
Expenses								
Governmental activities:								
General government	$ 3,210	$ 2,843	$ 3,437	$ 2,742	$ 2,589	$ 2,276	$ 2,297	$ 1,921
Judicial system	2,585	2,403	2,476	2,409	2,097	2,139	1,789	1,679
Public safety	9,004	7,958	9,260	7,845	7,326	6,660	6,268	5,764
Public works	2,604	2,450	1,182	2,489	2,275	2,096	2,125	1,741
Health and welfare	613	654	1,045	556	451	480	463	401
Culture and recreation	1,334	1,336	1,450	1,413	1,343	1,225	1,243	1,106
Housing and development	424	458	705	629	923	481	521	550
Interest on long-term debt	998	750	1,064	819	883	730	791	803
Total governmental activities expenses	20,772	18,852	20,619	18,902	17,887	16,107	15,497	13,965
Business-type activities:								
Solid Waste	225	119	133	143	93	130	511	514
Total business-type activities expenses	225	119	133	143	93	130	511	514
Total primary government expenses	$ 20,997	$ 18,971	$ 20,752	$ 19,045	$ 17,980	$ 16,237	$ 16,008	$ 14,479
Program Revenues								
Governmental activities:								
Charges for services:								
General government	$ 1,177	$ 895	$ 1,278	$ 1,242	$ 869	$ 691	$ 514	$ 660
Judicial system	771	682	726	603	764	536	(670)	930
Public safety	1,921	2,030	1,172	1,660	1,601	2,165	1,611	1,238
Public works	53	49	1	4	9	5	9	22
Health and welfare	52	2	20	27	15	14	12	11
Culture and recreation	216	262	318	283	366	278	306	254
Housing and development	96	120	240	59	580	521	395	299
Operating grants and contributions	1,567	1,276	1,541	885	738	1,001	438	506
Capital grants and contributions	54	202	194	1,800	2,451	1,768	1,337	400
Total governmental activities program revenues	5,907	5,518	5,490	6,563	7,393	6,979	3,952	4,320
Business-type activities:								
Charges for services:								
Solid waste	15	20	61	43	33	15	290	423
Operating grants and contributions	-	-	-	-	-	-	50	127
Capital grants and contributions	-	-	-	-	-	150	77	-
Total business-type activities program revenues	15	20	61	43	33	165	417	550
Total primary government program revenues	$ 5,922	$ 5,538	$ 5,551	$ 6,606	$ 7,426	$ 7,144	$ 4,369	$ 4,870
Net (expense)/revenue								
Governmental activities	$ (14,865)	$ (13,334)	$ (15,129)	$ (12,339)	$ (10,494)	$ (9,128)	$ (11,545)	$ (9,645)
Business-type activities	(210)	(99)	(72)	(100)	(60)	35	(94)	36
Total primary government net expense	$ (15,075)	$ (13,433)	$ (15,201)	$ (12,439)	$ (10,554)	$ (9,093)	$ (11,639)	$ (9,609)
General Revenues and Other Changes In Net Assets								
Governmental activities:								
Property taxes	$ 9,850	$ 9,841	$ 9,708	$ 7,976	$ 7,251	$ 6,005	$ 5,859	$ 5,726
Sales taxes	5,195	5,324	5,777	6,276	6,105	5,127	5,060	4,578
Insurance premium taxes	828	852	864	844	802	765	717	662
Other taxes	219	185	223	204	691	570	574	545
Unrestricted investment earnings	448	511	732	749	569	378	241	250
Unrestricted grants and contributions	-	-	-	-	331	292	284	272
Gain on sale of capital assets	-	14	30	-	32	-	42	(89)
Transfers	(84)	(76)	(57)	(54)	27	(364)	(102)	52
Total governmental activities	16,456	16,651	17,277	15,995	15,808	12,773	12,675	11,996
Business-type activities:								
Unrestricted investment earnings	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	-	-	-	-	-	27	-	-
Gain on sale of capital assets	-	-	-	-	-	-	14	-
Transfers	84	75	57	54	(27)	364	102	(52)
Total business-type activities	84	75	57	54	(27)	391	116	(52)
Total primary government	$ 16,540	$ 16,726	$ 17,334	$ 16,049	$ 15,781	$ 13,164	$ 12,791	$ 11,944
Change In Net Assets								
Governmental activities	$ 1,591	$ 3,317	$ 2,148	$ 3,656	$ 5,314	$ 3,645	$ 1,130	$ 2,351
Business-type activities	(126)	(24)	(15)	(46)	(87)	426	22	(16)
Total primary government	$ 1,465	$ 3,293	$ 2,133	$ 3,610	$ 5,227	$ 4,071	$ 1,152	$ 2,335

LUMPKIN COUNTY, GEORGIA

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

	2010	2009	2008	2007	2006
General fund					
Reserved	$ 449	$ 296	$ 329	$ 463	$ 493
Unreserved	5,439	4,993	3,550	3,796	4,834
Total general fund	$ 5,888	$ 5,289	$ 3,879	$ 4,259	$ 5,327
All other governmental funds					
Reserved	$ 9,297	$ 10,404	$ 11,529	$ 11,830	$ 9,320
Unreserved, reported in:					
Special revenue funds	512	314	351	468	454
Capital projects funds (1)	(320)	524	8,420	(1,107)	122
Total all other governmental funds	$ 9,489	$ 11,242	$ 20,300	$ 11,191	$ 9,896

(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.

2005	2004	2003	2002	2001
$ 433	$ 296	$ 303	$ 249	$ 113
3,549	4,431	4,407	4,403	3,433
$ 3,982	$ 4,727	$ 4,710	$ 4,652	$ 3,546
$ 7,006	$ 5,451	$ 3,528	$ 7	$ 2,760
369	271	232	239	250
405	397	774	3,692	2,067
$ 7,780	$ 6,119	$ 4,534	$ 3,938	$ 5,077

LUMPKIN COUNTY, GEORGIA

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

	2010	2009	2008	2007	2006
Revenues					
Taxes	$ 16,292	$ 15,718	$ 15,908	$ 15,773	$ 14,928
Licenses and permits	131	147	215	345	475
Fines and forfeitures	660	606	616	513	660
Charges for services	3,312	3,146	2,753	2,797	3,206
Interest income	456	511	732	749	569
Intergovernmental	1,665	1,256	1,461	1,136	1,558
Contributions and donations	111	222	229	129	229
Miscellaneous	183	142	171	224	61
Total revenues	22,811	21,748	22,085	21,666	21,686
Expenditures					
General government	3,029	2,637	3,232	2,546	2,325
Judicial	2,585	2,386	2,470	2,400	1,823
Public safety	8,611	7,498	8,229	7,504	6,912
Public works	1,056	1,092	1,331	1,285	1,017
Health and welfare	600	643	641	534	435
Culture and recreation	1,138	1,144	1,309	1,297	1,228
Housing and development	420	440	696	608	906
Intergovernmental	504	517	-	-	48
Capital outlay (1)	3,481	10,596	2,672	3,578	1,957
Debt service					
Principal	1,434	1,306	1,378	1,021	901
Interest	1,022	1,100	1,022	860	999
Other charges	-	-	270	-	-
Total expenditures	23,881	29,359	23,250	21,633	18,551
Excess (deficiency) of revenues over (under) expenditures	(1,070)	(7,611)	(1,165)	33	3,135
Other financing sources (uses)					
Transfers in	1,087	829	1,326	2,812	1,586
Transfers out	(1,171)	(904)	(1,383)	(2,867)	(1,559)
Issuance of debt	-	-	10,000	90	254
Discount on issuance of debt	-	-	(99)	-	-
Sale of capital assets	-	39	49	-	45
Total other financing sources (uses)	(84)	(36)	9,893	35	326
Net change in fund balances	$ (1,154)	$ (7,647)	$ 8,728	$ 68	$ 3,461
Debt service as a percentage of noncapital expenditures	12.0%	13.2%	13.1%	10.4%	11.4%
Total debt service expenditures	2,456	2,406	2,670	1,881	1,900
Total non-capital expenditures	20,401	18,253	20,399	18,055	16,594

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

2005	2004	2003	2002	2001
$ 12,516	$ 12,108	$ 11,526	$ 11,288	$ 10,664
431	320	252	219	192
500	710	649	701	747
3,147	2,860	2,482	1,816	1,765
378	241	250	362	427
1,295	1,450	988	1,728	989
100	46	26	66	15
9	3	48	38	65
18,376	17,738	16,221	16,218	14,864
2,162	1,894	1,797	1,822	1,640
1,864	1,779	1,668	1,342	1,127
6,285	5,918	5,399	5,048	4,283
1,148	1,268	889	902	779
459	441	382	363	373
1,123	1,158	1,032	991	1,102
462	499	528	581	453
79	-	-	-	-
1,915	2,177	2,517	4,097	7,326
863	382	939	2,247	3,253
752	797	821	896	588
-	-	-	-	173
17,112	16,313	15,972	18,289	21,097
1,264	1,425	249	(2,071)	(6,233)
1,985	1,567	5,008	356	1,524
(2,349)	(1,669)	(4,956)	(393)	(1,749)
16	238	325	2,009	18,703
-	-	-	-	-
-	41	29	65	28
(348)	177	406	2,037	18,506
$ 916	$ 1,602	$ 655	$ (34)	$ 12,273
10.6%	8.3%	13.1%	22.1%	29.1%
1,615	1,179	1,760	3,143	4,014
15,197	14,136	13,455	14,192	13,771

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
2001	$ 5,329	$ 4,364	$ 560	$ 245	$ -	$ 166	$ 10,664
2002	5,709	4,484	618	318	4	155	11,288
2003	5,681	4,578	662	356	87	162	11,526
2004	5,757	5,060	717	326	95	153	12,108
2005	6,054	5,127	765	323	113	134	12,516
2006	7,330	6,105	802	365	152	174	14,928
2007	8,449	6,276	844	-	162	43	15,773
2008	9,044	5,777	864	-	165	58	15,908
2009	9,357	5,324	852	-	159	26	15,718
2010	10,070	5,175	828	-	149	70	16,292

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

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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)
2002	2001	$ 184,407,416	$ 52,311,066	$ 171,451,684	$ 14,169,659	$ 52,472,220	$ 16,165,149	$ 49,131,529	$ 668,864
2003	2002	322,215,146	86,423,689	340,720,539	18,162,514	58,968,290	16,669,213	49,198,398	528,600
2004	2003 (2)	350,210,951	90,440,227	340,521,525	18,168,976	60,684,780	17,771,901	41,873,900	364,564
2005	2004	380,502,691	91,404,475	341,344,010	19,223,476	58,705,170	15,148,984	41,696,433	267,607
2006	2005	421,998,678	110,055,207	341,215,830	20,006,951	60,957,260	14,576,647	43,822,195	703,204
2007	2006	474,080,110	120,224,834	337,166,386	21,026,349	59,890,060	11,341,763	44,433,206	268,079
2008	2007	651,531,386	146,096,729	533,335,219	22,070,588	52,606,340	10,774,781	50,235,688	603,959
2009	2008 (2)	713,461,603	149,641,216	524,516,235	21,881,226	69,567,910	10,111,154	52,266,978	699,332
2010	2009	730,417,434	172,847,299	526,452,545	22,160,994	73,698,120	10,387,091	25,650,315 (3)	215,455
2011	2010	733,853,262	163,008,355	527,557,546	21,633,639	64,059,070	9,842,509	23,508,772	126,609

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 2002 and 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	Total Direct	Estimated Actual	Assessed Value as a Percentage
Real	Personal	Assessed Value	Tax Rate	Taxable Value	of Actual Value
$ 44,120,090	$ 11,418,272	$ 485,239,225	11.995	$ 1,213,098,063	40.00%
108,111,559	9,985,715	774,789,115	7.483	1,936,972,788	40.00%
119,884,220	4,129,275	796,023,329	7.308	1,990,058,323	40.00%
125,057,626	4,975,697	818,259,523	7.277	2,045,648,808	40.00%
130,276,501	5,080,217	877,979,254	8.052	2,194,948,135	40.00%
135,628,116	4,824,375	927,978,296	8.346	2,319,945,740	40.00%
250,849,126	5,350,388	1,211,055,176	6.912	3,027,637,940	40.00%
263,318,330	6,240,595	1,272,586,729	6.893	3,181,466,823	40.00%
275,738,365	96,194,591 (4)	1,189,896,297	6.947	2,974,740,743	40.00%
289,980,685	108,375,389	1,145,233,688	7.318	2,863,084,220	40.00%

LUMPKIN COUNTY, GEORGIA

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

Tax Year	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Lumpkin County rates										
Unincorporated	7.318	6.947	6.893	6.912	8.346	8.052	7.277	7.308	7.483	11.995
Incorporated	7.907	7.842	7.707	7.724	9.385	9.068	8.275	8.275	8.360	13.150
Special services (reservoir)	0.220	0.191	0.178	0.187	0.226	0.411	-	-	-	-
Special services (planning)	0.098	0.409	-	-	-	-	-	-	-	-
Municipal rates										
Dahlonega	3.988	3.950	3.950	3.959	4.370	3.620	2.867	2.900	2.931	3.883
Board of Education										
Maintenance & Operations	12.800	12.800	11.840	11.860	14.190	14.190	14.250	13.250	13.250	16.750
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Total Unincorporated	20.686	20.597	19.161	19.209	23.012	22.903	21.777	20.808	20.983	28.995
Total Incorporated	24.945	24.842	23.747	23.793	28.195	27.128	25.642	24.675	24.791	34.033

Source: Georgia Department of Revenue, Property Tax Division

LUMPKIN COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

	2010			2001		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Birch River Chestatee Company LLC	$ 7,438,100	1	0.65 %	$		%
Koyo Bearings USA LLC	7,326,910	2	0.64			
Green Sherman & Roberta	4,022,213	3	0.35			
Dahlonega Group LLC	3,718,498	4	0.32			
Chestatee Holding Company LLC	2,650,925	5	0.23			
Milson Group LLC	2,566,778	6	0.22			
Southern Health CORP of Dahlonega	2,511,773	7	0.22			
Creekside Resources INC	2,311,738	8	0.20			
Georgia Power Company	2,249,887	9	0.20	1,873,181	9	0.39
Windstream Standard INC	2,614,990	10	0.23			
Torrington Company				8,014,688	1	1.65
Standard Telephone Company				5,604,432	2	1.15
Inland Container Corp				5,100,174	3	1.05
Owens Valley Farms				3,326,552	4	0.69
Wal-Mart Stores #2513				2,605,289	5	0.54
Amicalola EMC				2,338,137	6	0.48
R Ranch				2,266,496	7	0.47
Wal-Mart Stores East Inc Property Tax				2,003,501	8	0.41
Bank of America Leasing				1,847,101	10	0.38
	$ 37,411,812		3.27 %	$ 34,979,551		7.21 %

Source: Lumpkin County Tax Commissioner

LUMPKIN COUNTY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year	Tax Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Pct. of Levy		Amount	Percentage of Levy
2002	2001	$ 5,613	$ 4,390	78.21 %	$ 1,223	$ 5,613	100.00 %
2003	2002	6,048	1,696	28.04	4,351	6,047	99.98
2004	2003	5,811	4,718	81.19	1,092	5,810	99.98
2005	2004	6,149	4,976	80.92	1,167	6,143	99.90
2006	2005	7,270	5,988	82.37	1,259	7,247	99.68
2007	2006	7,762	6,615	85.22	1,100	7,715	99.39
2008	2007	7,722	2,719	35.21	4,912	7,631	98.82
2009	2008	8,148	6,268	76.93	1,577	7,845	96.28
2010	2009	10,826	6,710	61.98	2,838	9,548	88.20
2011	2010	10,651	7,682	72.12	-	7,682	72.12

LUMPKIN COUNTY, GEORGIA

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Capital Leases	Certificates of Participation	Notes Payable			
2001	$ 116	$ -	$ 20,285	$ 20,401	4.18 %	$ 928
2002	293	-	20,158	20,451	4.04	902
2003	238	-	19,599	19,837	3.89	847
2004	172	-	19,522	19,694	3.65	849
2005	93	-	18,743	18,836	3.11	774
2006	32	-	18,157	18,189	2.68	714
2007	-	-	17,357	17,357	2.55	654
2008	-	9,630	16,254	25,884	3.56	957
2009	-	9,503	15,083	24,586	3.22	893
2010	-	9,375	13,784	23,159	2.98	773

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)
2002	$ 13,635	$ -	$ 13,635	0.70 %	$ 602
2003	12,770	3,528	9,242	0.46	395
2004	12,455	5,451	7,004	0.34	302
2005	11,660	7,006	4,654	0.21	191
2006	10,820	9,320	1,500	0.06	59
2007	9,920	9,920	-	-	-
2008	8,965	8,965	-	-	-
2009	7,945	7,945	-	-	-
2010	6,855	6,855	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. There was no general obligation debt outstanding in 2001.

(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.

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LUMPKIN COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	2010	2009	2008	2007
Debt limit	$ 143,522	$ 146,563	$ 153,591	$ 146,190
Total net debt applicable to limit	-	-	-	-
Legal debt margin	$ 143,522	$ 146,563	$ 153,591	$ 146,190
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	$ 1,145,234
Add back: exempt real property	289,981
Total assessed value	1,435,215
Debt limit (10% of total assessed value)	143,522
Debt applicable to limit:	
General obligation debt	6,855
Less: Amount set aside for repayment of general obligation debt	(6,855)
Total net debt applicable to limit	-
Legal debt margin	$ 143,522

2006	2005	2004	2003	2002	2001
$ 106,361	$ 100,826	$ 94,332	$ 91,591	$ 88,290	$ 52,936
1,500	4,654	7,004	9,242	13,635	12,997
$ 104,861	$ 96,172	$ 87,328	$ 82,349	$ 74,655	$ 39,939
1%	5%	7%	10%	15%	25%

LUMPKIN COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income	Median Age	School Enrollment (3)	Unemployment Rate (4)
2001	21,976	$ 487,603	$ 22,188	N/A	3,232	2.3 %
2002	22,665	506,699	22,356	N/A	3,413	2.9
2003	23,412	510,499	21,805	N/A	3,497	2.5
2004	23,185	540,164	23,298	N/A	3,520	3.5
2005	24,324	606,370	24,929	N/A	3,675	4.5
2006	25,462	679,170	26,674	N/A	3,721	4.1
2007	26,554	679,543	25,591	N/A	3,344	4.2
2008	27,056	727,084	26,873	32.5	3,732	11.1
2009	27,528	763,163	27,723	35.0	3,776	11.3
2010	29,966	776,536	25,914	34.8	3,836	10.8

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
DECEMBER 31, 2006

	2006		
Employer	Employees	Rank	Percentage of Total County Employment
Southern Switches Corp	$		%
North Georgia College & State Univ	697	1	11.06
Lumpkin County Board of Education	615	2	9.76
Mohawk Industries	350	3	5.56
Lumpkin County Government	286	4	4.54
Wal-Mart	265	5	4.21
Timken US Corporation	251	6	3.98
Chestatee Regional Hospital	223	7	3.54
RefrigiWear, Inc.	110	8	1.75
The Home Depot	92	9	1.46
Hidden Lake Academy	83	10	1.32
	$ 2,972		47.18 %

Sources: State Department of Commerce.
Information prior to and subsequent to 2006 is not available.

LUMPKIN COUNTY, GEORGIA

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

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

Source: County Budget Office

Information for 2001 - 2003 is not available.

LUMPKIN COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Function										
Sheriff										
Traffic violations	3,458	4,072 (2)	N/A	2,992	2,111	2,169	2,245	2,175	2,991	2,603
Fire										
Number of calls answered	3,269	3,244	3,426	3,344	3,141	1,893	1,645	1,488	1,153	1,073
Inspections conducted	N/A	377	637	1,004 (1)	369	215	96	67	41	35
Highways and streets										
Street resurfacing (miles)	13	6	6	11	23	5	36	13	33	15
Sanitation										
Refuse collected (tons/day)	43	46	45	33	34	26	22	N/A	N/A	N/A
Recyclables collected (tons/day)	1	N/A	2	1	1	-	N/A	N/A	N/A	N/A

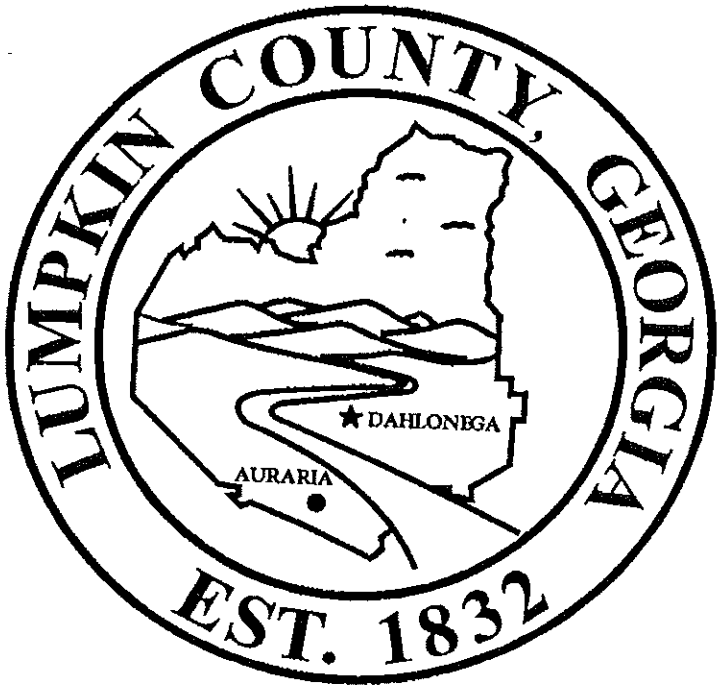
Source: County departments
Note: Indicators are not available for any functions other than those listed above
N/A - Information is not available.
(1) - The County established a new inspection program in 2007 resulting in an increase in the number of inspections conducted
(2) - The newly elected Sheriff and his staff have made motor vehicle safety a top priority which has resulted in more citations writter

LUMPKIN COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government										
Buildings	**13**	13	13	13	13	11	11	11	9	7
Vehicles	**5**	5	5	5	5	4	3	3	3	2
Small equipment	**25**	25	25	24	20	21	21	19	17	15
Public safety										
Buildings	**7**	7	7	6	5	5	5	5	5	5
Vehicles										
Fire/pumper trucks	**13**	13	13	13	13	13	12	10	10	8
Other Fire Dept. vehicles	**6**	6	6	5	5	4	3	3	3	3
Ambulance/rescue	**4**	6	5	5	4	6	6	6	5	5
Sheriffs vehicles	**51**	46	46	39	35	32	25	20	13	12
Other public safety vehicles	**3**	3	3	3	3	2	2	1	1	1
Equipment	**78**	78	69	49	41	40	38	32	31	28
Judicial										
Small equipment	**6**	6	6	6	6	15	15	15	13	13
Public works										
Buildings	**3**	3	3	3	3	2	2	2	2	2
Vehicles										
Road Department	**10**	11	11	15	20	24	24	24	24	24
Building Inspector	**6**	6	6	6	6	5	5	5	3	3
Other	**3**	3	3	3	2	2	1	1	1	1
Small equipment	**5**	5	5	1	1	-	-	-	-	-
Heavy equipment	**34**	33	35	35	35	30	29	28	26	26
Health and welfare										
Buildings	**3**	2	2	2	2	2	2	2	2	1
Culture and recreation										
Buildings	**5**	5	5	5	5	5	5	5	5	5
Vehicles	**4**	4	5	5	5	4	4	4	2	2
Equipment	**13**	13	11	10	10	10	8	7	7	6

Source: Various County departments



Other Reports

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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 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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 23, 2011. Our report includes reference to 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. Other auditors audited the financial statements of the Lumpkin County Department of Public Health and the Development Authority of Lumpkin County, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as items 2010-1 through 2010-4, to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

We noted certain matters that we reported to management of the County in a separate letter dated June 23, 2011.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the County, the State of Georgia, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 23, 2011

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
of Lumpkin County, Georgia
Dahlonega, Georgia

Compliance

We have audited Lumpkin County, Georgia's (the "County's") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2010. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, Lumpkin County, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management of the County, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 23, 2011

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF JUSTICE			
Passed through Criminal Justice Coordinating Council:			
Victim's Assistance (C09-8-089)	16.575	2009-VA-GX-0045	$ 24,258
Victim's Assistance (C09-8-190)	16.575	2009-VA-GX-0045	7,735
Victim's Assistance (C09-5-055)	16.575	2009-VA-GX-0045	42,500
Victim's Assistance (C10-8-114)	16.575	2010-VA-GX-0073	12,536
			87,029
Violence Against Women Grant (W07-8-033) - ARRA	16.588	W82-8-020	67,628
Violence Against Women Grant (W07-8-061)	16.588	2007-WF-AX-0035	12,960
			80,588
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.738	2009-SB-B9-1310	11,930
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-019	21,874
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	2009-SU-B9-0003	22,908
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	2009-SU-B9-0003	118,370
			163,152
Passed through Bureau of Justice Assistance:			
Bulletproof Vest Partnership	16.607	V11109093	2,945
Passed through Council of Juvenile Court Judges:			
Purchase of Services - Juvenile Offenders Program	16.523	JB-07ST-0004	5,825
Purchase of Services - Juvenile Offenders Program	16.523	JB-08ST-0002	1,605
			7,430
Total U.S. Department of Justice			353,074
U.S. DEPARTMENT OF HOMELAND SECURITY			
Assistance to Firefighters Grant	97.044	EMW-2007-FO-06290	793
Staffing for Adequate Fire and Emergency Response	97.044	EMW-2008-FF-01031	190,744
			191,537
Hazard Mitigation Grant Program	97.039	HMGP-1686-0046	1,189
Total U.S. Department of Homeland Security			192,726
Total Expenditures of Federal Awards			$ 545,800

See accompanying note to schedule of expenditures of federal awards.

LUMPKIN COUNTY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2010

BASIS OF PRESENTATION

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

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified	
Internal control over financial reporting:		
Material weaknesses identified?	__X__ yes	_____ no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	__X__ none reported
Noncompliance material to financial statements noted?	_____ yes	__X__ no

Federal Awards

Internal Control over major programs:		
Material weaknesses identified?	_____ yes	__X__ no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	__X__ none reported
Type of auditor's report issued on compliance for major programs	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	_____ yes	__X__ no

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
16.803	Edward Byrne Memorial Justice Assistance Grant - ARRA
97.044	Assistance to Firefighters Grant

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000	
Auditee qualified as low-risk auditee?	_____ yes	__X__ no

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2010-1. Revenues and Related Balance Sheet Accounts

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

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

Context/Cause: During our testing, certain audit adjustments were required to correct current year amounts that were not correctly recorded by management. The nature of these adjustments are as follows:

- Revenues and receivables, and deferred revenue in the General Fund required adjustments totaling approximately $139,200 to correctly report revenue and accounts receivable related to ambulance services.
- An adjustment in the amount of approximately $243,200 was required to correctly defer revenue relating to grant activity in the Multiple Grant Fund that was not received within 90 days of year-end in accordance with the modified accrual basis of accounting.
- Revenues, receivables, and deferred revenue in the Special Tax District Fund required adjustments totaling approximately $54,700 to correctly report revenue, deferred revenue, and accounts receivable related to property taxes.
- An adjustment of approximately $444,200 was required to correctly report revenue and deferred revenue relating to grant activity in the CDBG Fund.

Effects: Audit adjustments totaling approximately $881,300 were needed to correctly report revenues and related balance sheet accounts.

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

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (Continued)

2010-2. Expenditures/Expenses and Related Liabilities

Criteria: Internal controls should be in place to ensure that the amounts reported as expenditures/expenses and related assets and liabilities are in accordance with generally accepted accounting principles.

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

Context/Cause: During our testing of expenditure/expense recognition, certain audit adjustments were required to correct current year amounts. The nature of the adjustments are as follows:

- An adjustment of approximately $55,900 was required to properly report SPLOST funds owed to the City of Dahlonega as of December 31, 2010.
- The Capital Projects fund required an adjustment of $44,100 to properly recognize debt service expenditures. This adjustment also affected the General Fund by the same amount.
- An adjustment of approximately $59,600 was required to properly report grant expenditures that were incurred prior to year-end but improperly excluded from accounts payable in the Multiple Grant Fund. This adjustment also affected the General Fund by the same amount.
- The landfill post-closure liability required an adjustment of $115,000 in the Solid Waste Fund to properly accrue the estimated costs remaining for required postclosure care.
- Governmental capital assets reported on the government-wide financial statements required an adjustment of approximately $495,900 to reduce construction in progress in the amount of current year principal and interest payments on certificates of participation which were improperly capitalized as of December 31, 2010.

Effects: Audit adjustments totaling approximately $874,200 were needed to correctly report expenditures/expenses and the related assets and liabilities for the year ended December 31, 2010.

Recommendation: We recommend the County carefully review all expenditures/expenses and related assets and liabilities to ensure they are reported in the proper reporting period and in accordance with generally accepted accounting principles.

Auditee's Response: We concur with the finding. We will take the necessary steps in the future to ensure that expenditures/expenses and related assets and liabilities are properly recorded.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (Continued)

2010-3. Clerk of Court's Office

Criteria: All constitutional offices must have a proper function of receiving funds, recording the receipt of funds, and timely and properly remitting such funds to the appropriate parties upon their disposition in accordance with State of Georgia laws. Additionally, all constitutional offices should provide all requested financial records to the County's finance department, who has responsibility for the accurate financial reporting of the County, on a timely basis.

Condition: Internal controls were not sufficient to allow the constitutional office to provide timely and accurate financial information for the year ended December 31, 2010.

Context/Cause: During our testing of the County's Clerk of Court's office, we noted the following weaknesses in the office's internal controls:

- The Clerk of Court lacks sufficient understanding of the financial reporting responsibilities of the office, including proper preparation of monthly bank reconciliations and maintenance of the subsidiary ledgers for liability listings. As a result, the Clerk of Court's office did not complete its year-end closing process to provide documentation necessary for reporting or auditing the office's financial information for the year ended December 31, 2010 until the end of May 2011.
- During our audit, we noted several of the bank reconciliations for December 31, 2010 for the Clerk of Court's office included reductions in the cash balance per books for disbursements that were drawn in January 2011. As a result, adjustments totaling approximately $73,300 were required to properly record cash and accounts payable as of December 31, 2010.
- During our walkthrough of the Clerk of Court's cash receipts process, we noted the office is not making daily cash deposits.

Effects or possible effects: By not properly reconciling the cash to the supporting detail listings of amounts payable, differences could occur and go undetected by the office. Additionally, this will create difficulties for the proper tracking, maintenance and disbursement of these funds and prevent the timely and accurate reporting of financial information to the County's finance department. By not correctly reconciling the cash balances per the general ledger to the bank statement, audit adjustments totaling approximately $73,300 were required. As a result of not making daily deposits, the office is increasing the risk of misappropriation of assets. Lack of timely reconciliations also prohibits the timely and accurate reporting of financial information to the County's finance department and increases the risk of misappropriation of assets.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (Continued)

2010-3. Clerk of Court's Office (Continued)

Recommendation: We recommend the Clerk of Court's office properly maintain and reconcile the detail subsidiary listings going forward. We also recommend the Clerk of Court's office seek guidance from the County's finance department to gain a better understanding of the financial reporting responsibilities of the office so that they are able to correctly reconcile cash balances per the general ledger to the bank statements in a timely manner each month in order to timely and accurately remit funds and submit financial information to the County's finance department. We recommend the office make daily cash deposits in order to mitigate the risk of misappropriation of assets. We also recommend the Clerk of Court's office remit all requested information to the County's finance department for review and to ensure that amounts reported in the County's financial statements are correct and properly reported monthly and at year-end.

Auditee's Response: Management agrees with this finding and is in the process of completing a corrective action plan.

2010-4 Segregation of Duties

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 cash receipting or cash disbursements) 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 certain duties.

Condition: The limited number of employees involved in the various offices and the resulting overlapping of duties causes segregation of duties to be difficult.

Context/Cause: During the course of our testwork, we noted several areas in which the segregation of duties could be improved. The following are controls or practices which should be in place to ensure adequate segregation of duties, but aren't at the County.

- Individuals who review, authorize, or sign checks should be independent of approval of purchase orders and maintenance of the vendor master file.
- Individuals who approve purchase orders should be independent of the initiating of purchase orders, input of purchase orders, initiating of checks for expenditures, preparing or issuing debit memos, and maintaining the chart of accounts.

Effects: Without some segregation of duties within these functions; there is increased exposure that someone could intentionally or unintentionally misappropriate assets of the County.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (Continued)

2010-4 Segregation of Duties (Continued)

Recommendation: We recommend that the County review its processes and determine where it can effectively segregate duties to alleviate the segregation of duties issues.

Auditee's Response: We will review our operations to determine the most efficient and effective solution to properly segregate duties.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

None reported.

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