LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2011

Prepared By:
The Lumpkin County Office of Financial Administration

INTRODUCTORY SECTION

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Table of Contents	i-iii
Letter of Transmittal	iv-viii
List of Officials	ix
Organizational Chart	x
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	14 and 15
Statement of Activities	16 and 17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Net Assets – Proprietary Fund	21
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Fund	22
Statement of Cash Flows – Proprietary Fund	23
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	24
Notes to Financial Statements	25-55
Required Supplementary Information:	
General Fund – Budgetary Comparison Schedule – GAAP Basis	56 and 57
Schedule of Funding Progress	58
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	59 and 60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	61 and 62

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

TABLE OF CONTENTS

FINANCIAL SECTION (Continued) **Page**

Combining and Individual Fund Statements and Schedules (Continued):

Drug Rehabilitation Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 63

Law Library Fund– Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 64

Emergency Telephone System Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 65

Drug Court Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 66

Juvenile Services Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 67

Confiscated Assets Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 68

Special Programs Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 69

Public Defender Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 70

Technology Fee Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 71

Multiple Grant Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 72

Hotel/Motel Tax Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 73

Planning Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 74

Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 75

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds 76

Combining Statement of Assets and Liabilities – Agency Funds 77

Statement of Changes in Assets and Liabilities – Agency Funds ..... 78 and 79

Statement of Cash Flows – Component Unit – Hospital Authority 80

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

TABLE OF CONTENTS

STATISTICAL SECTION

Financial Trends:

Net Assets by Component 81
Changes in Net Assets 82
Fund Balances of Governmental Funds ..... 83 and 84
Changes in Fund Balances of Governmental Funds ..... 85 and 86
General Governmental Tax Revenues by Source 87

Revenue Capacity:

Assessed Value and Estimated Actual Value - All Taxable Property ..... 88 and 89
Direct and Overlapping Property Tax Rates 90
Principal Property Taxpayers 91
Property Tax Levies and Collections 92

Debt Capacity:

Ratios of Outstanding Debt by Type 93
Ratios of General Obligation Debt Outstanding 94
Legal Debt Margin Information ..... 95 and 96

Demographic and Economic Information:

Demographic and Economic Statistics 97
Principal Employers 98

Operating Information:

Full-Time Equivalent County Government Employees by Function 99
Operating Indicators by Function 100
Capital Asset Statistics by Function 101

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 102 and 103
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 ..... 104 and 105
Schedule of Expenditures of Federal Awards ..... 106 and 107
Note to Schedule of Expenditures of Federal Awards 108
Schedule of Findings and Questioned Costs 109-112
Schedule of Prior Year Findings 113

June 15, 2012

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, 2011.

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, 2011, 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 fiscal year ended December 31, 2011, 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 42.6% over the past ten years with a current 2010 census population of 29,966.

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 an assignment 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 2011, Lumpkin County received an Emergency Trauma Grant in the amount of $72,500 for an ambulance. Lumpkin County was awarded four grants for personnel totaling $128,581, a grant for bullet proof vests, and a grant from ACCG for a wellness program for employees.

Other accomplishments during the year include:

- Resurfacing approximately 18.10 lane miles of County roads, using a combination of Federal, State, and local money.
- Completion of a mass notification system for citizens and businesses.
- Completion of an upgrade to the E911 center.
- Completion of a communications tower design.
- Completion of upgrades to the Detention Center.

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, 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**
Kathleen Walker	**County Clerk**

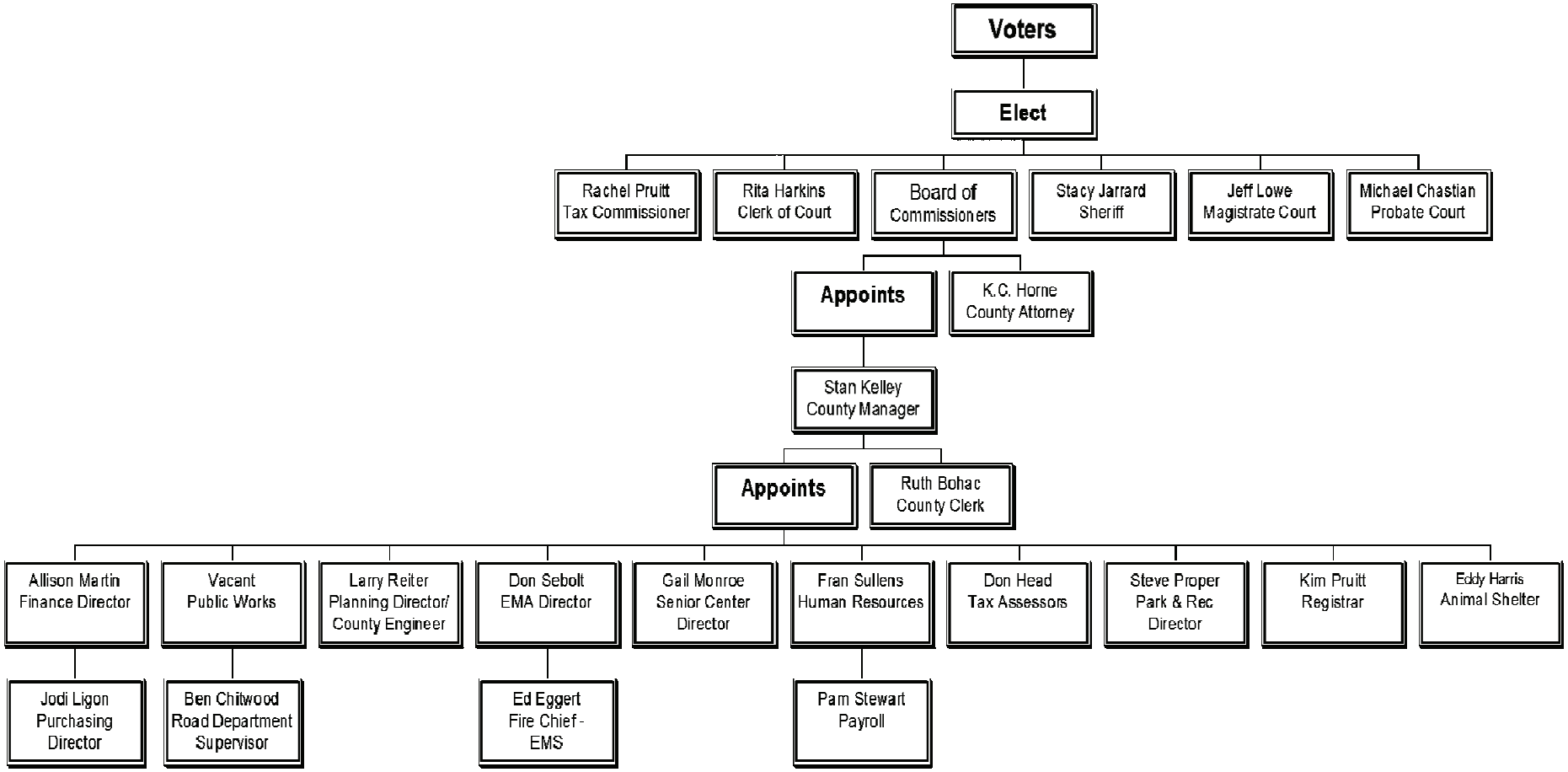
DEPARTMENT DIRECTORS

C. Allison Martin	**Finance**
Alicia Davis	**Human Resources**
Steve Proper	**Parks & Recreation**
Larry Reiter	**Planning/County Engineer**
Larry Reiter	**Public Works**
Gail Monroe	**Senior Center**
Allan Sargent	**Chief Appraiser**
Kimberly Pruitt	**Registrar**
Eddy Harris	**Animal Shelter**
David Wimpy	**Emergency Management**

JUDICIAL & OTHER ELECTED OFFICIALS

Rita Harkins	**Clerk of Court**
Michael Chastain	**Probate Judge**
Jeff Lowe	**Magistrate Judge**
Jeff Langley	**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



X

FINANCIAL SECTION

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, 2011, 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 27 percent, 20 percent, and 76 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, 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 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, 2011, 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.

As discussed in Note 1, Lumpkin County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of January 1, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2012, on our consideration of Lumpkin County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, (on pages 4 through 13) the budgetary comparison information, and schedule of funding progress (on pages 56 through 58) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lumpkin County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, 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 presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 15, 2012

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, 2011. 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, 2011.

Financial Highlights

- The assets of Lumpkin County's governmental activities exceeded its liabilities at December 31, 2011 by $72.8 million (*net assets*). Of this amount, $7.2 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of December 31, 2011, the governmental funds of Lumpkin County reported combined ending fund balances of $15.9 million, an increase of $600 thousand in comparison with the prior year. Approximately 40.3% of this amount, $6.4 million, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of 2011, unassigned fund balance for the general fund was $6.5 million, or 45% 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 2011, the Debt Service Fund had accumulated $8.1 million toward the goal of retiring the 2001 issue.
- During 2011, Lumpkin County made principal and interest payments totaling $1.5 million on the Public Building Authority Issue, Series 2001. These payments reduced the outstanding principal to $5.695 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, 2011, the County's net assets were $73.1 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 2011 and 2010.

TABLE B

LUMPKIN COUNTY, GEORGIA'S NET ASSETS
December 31, 2011 and 2010
($ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2011	2010	2011	2010	2011	2010
CURRENT AND OTHER ASSETS	$25,968	$25,775	$0	$0	$25,968	$25,775
CAPITAL ASSETS (net of depreciation)	78,021	78,514	709	736	78,730	79,250
TOTAL ASSETS	103,989	104,289	709	736	104,698	105,025
LONG-TERM LIABILITIES	22,031	23,456	484	506	22,515	23,962
OTHER LIABILITIES	9,085	9,491	8	0	9,093	9,491
TOTAL LIABILITIES	31,116	32,947	492	506	31,608	33,453
NET ASSETS:						
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	56,295	55,355	709	736	57,004	56,091
RESTRICTED FOR DEBT SERVICE	8,092	9,243	0	0	8,092	9,243
RESTRICTED FOR CAPITAL PROJECTS	549	0	0	0	549	0
RESTRICTED FOR PUBLIC SAFETY ACTIVITIES	406	0	0	0	406	0
RESTRICTED FOR LAW LIBRARY OPERATIONS	134	0	0	0	134	0
RESTRICTED FOR JUDICIAL ACTIVITIES	165	0	0	0	165	0
RESTRICTED FOR TOURISM	6	0	0	0	6	0
UNRESTRICTED	7,226	6,744	(492)	(506)	6,734	6,238
TOTAL NET ASSETS	$72,873	$71,342	$217	$230	$73,090	$71,572

A significant portion (77.9%) 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 and total 12.8% of the total. Included in this category are unspent SPLOST proceeds for Debt Service Reserves (11.07% of the total), funds restricted for capital projects (0.75% of the total), public safety activities (0.56% of the total), law library activities (0.18% of the total), judicial activities (0.23% of the total), and tourism (0.01% of the total).

The remaining 9.3% 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 2011 and 2010 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, 2011 and 2010
($ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2011	2010	2011	2010	2011	2010
REVENUES:						
PROGRAM REVENUES:						
CHARGES FOR SERVICES	$4,308	$4,286	$15	$15	$4,323	$4,301
OPERATING GRANTS & CONTRIBUTIONS	1,555	1,567	0	0	1,555	1,567
CAPITAL GRANTS & CONTRIBUTIONS	16	54	0	0	16	54
GENERAL REVENUES:						
PROPERTY TAXES	9,047	9,850			9,047	9,850
SALES TAXES	5,358	5,195			5,358	5,195
OTHER TAXES	1,261	1,047			1,261	1,074
UNRESTRICTED INVESTMENT EARNINGS	395	448			395	448
GAIN ON SALE OF CAPITAL ASSETS	0	0	0	0	0	0
TOTAL REVENUES	21,940	22,447	15	15	21,955	22,462
EXPENSES:						
GENERAL GOVERNMENT	3,144	3,210			3,144	3,210
PUBLIC SAFETY	8,965	9,004			8,965	9,004
JUDICIAL SYSTEM	2,673	2,585			2,673	2,585
PUBLIC WORKS	2,614	2,604			2,614	2,604
HEALTH & WELFARE	595	613			595	613
CULTURE & RECREATION	1,014	1,334			1,014	1,334
HOUSING & DEVELOPMENT	421	424			421	424
INTEREST	917	998			917	998
SOLID WASTE	0	0	94	224	94	224
TOTAL EXPENSES	20,343	20,772	94	224	20,437	20,996
INCREASE IN NET ASSETS BEFORE TRANSFERS	1,597	1,675	(79)	(209)	1,518	1,466
TRANSFERS	(66)	(84)	66	84	(0)	0
INCREASE (DECREASE) IN NET ASSETS	1,531	1,591	(13)	(125)	1,518	1,466
NET ASSETS, BEGINNING OF YEAR	71,342	69,751	230	355	71,572	70,106
NET ASSETS, END OF YEAR	$72,873	$71,342	$217	$230	$73,090	$71,572

Governmental Activities: Governmental activities accounted for $1.5 million of the excess in the County's net revenues over expenses for 2011 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2011, Lumpkin County Governmental Funds reported a combined fund balance of $15.9 million. This amount was up $600 thousand from 2010. Of the total combined fund balance, approximately 40.3% consists of *unassigned fund balance*, the portion of fund balance, which serves as a measure of current available financial resources.

The *restricted fund balance* represented resources not available for spending or those on which legal restrictions have been placed. The County's restricted fund balance makes up 57.7% of the combined total.

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

General Fund. The General Fund of Lumpkin County accounts for all transactions not accounted for in other funds. As the County's major operating fund, the General Fund accounts for ordinary operating expenditures financed primarily by property taxes and charges for services. The General Fund completed the year with a fund balance of $6.8 million. This was $1 million more than the previous year, which reflects an increase in back tax collections, penalties and interest. Of the $6.8 million, 95% is unassigned while the remaining 5% is nonspendable.

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, 2011 had an outstanding principal balance of $5.695 million. The fund balance of the Debt Service Fund is $8.073 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, 2011 the fund balance of this fund was $552 thousand.

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

Enterprise Fund. The Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises - where the costs (expenses, including depreciation) of providing goods or services to the general public are being financed or recovered primarily through user charges on a continuing basis. The Solid Waste Fund is the County's single enterprise fund. Total net assets of the enterprise fund at the end of 2011 were $217 thousand, representing a decrease of $13 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 $818 thousand below final budget amounts.

Capital Assets and Debt Administration

Capital Assets

At the end of 2011, the County had acquired $ 78.7 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 decrease in capital assets, net of accumulated depreciation, for the current fiscal year was $500 thousand. The percentage decrease in capital assets was .6%.
- Additional information on the County's capital assets can be found in Note 6 of the Notes to Financial Statements.

Debt Administration

Georgia Statutes provide for a general obligation debt limit of 10.0% of assessed valuation. The County had a general obligation debt capacity of $123 million in 2011. The County currently has $5.695 million subject to the limitation.

At December 31, 2011, Lumpkin County had the following outstanding long-term debt:

- $21.7 million in notes payable.
- $278 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 stabilized during 2011, with minimal growth in the business sector. New housing starts were down in the County during 2011, with no real impact to the tax base and increasing demands for services. In an effort to stimulate growth of light industry and shift more of the tax burden from homeowners, a project to extend water and sewerage service was begun during 2003 and was completed during 2006 in the southern part of the County. This project has been completed and the County is beginning to see some retail growth in that area of the County.

Due to the sluggish economy, the 2012 budget plans for no increase in tax revenues and has anticipated a similar collection in revenues from sales tax and property tax. The economy has necessitated a tight spending budget for 2012 as the value of the digest continues to decline. The budget has increased by $400 thousand and the County has been able to maintain the same level of service even though fuel and insurance costs have risen. The County has also implemented a number of cost saving measures and is currently looking at joint ventures within the community to ease the burden placed on the operating budget.

Contacting the County's Financial Management

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET ASSETS
DECEMBER 31, 2011

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 14,741,496	$ -	$ 14,741,496
Investments	7,065,938	-	7,065,938
Receivables (net of allowance for uncollectibles)	3,376,096	-	3,376,096
Prepaid items	289,846	217	290,063
Inventories	86,107	-	86,107
Due from component units	20,655	-	20,655
Deferred charges, unamortized balance	197,890	-	197,890
Restricted assets:			
Restricted cash and cash equivalents	189,528	-	189,528
Capital assets, nondepreciable	49,563,978	192,103	49,756,081
Capital assets, depreciable, net of accumulated depreciation	28,457,271	516,608	28,973,879
Total assets	103,988,805	708,928	104,697,733
LIABILITIES			
Accounts payable	724,534	8,330	732,864
Accrued liabilities	584,428	-	584,428
Customer deposits	-	-	-
Due to primary government	-	-	-
Unearned revenue	7,775,628	-	7,775,628
Noncurrent liabilities due within one year			
Compensated absences	143,040	52	143,092
Landfill closure and postclosure	-	22,000	22,000
Certificates of participation	145,000	-	145,000
Notes payable	1,357,202	-	1,357,202
Claims and judgments	-	-	-
Noncurrent liabilities due in more than one year			
Net pension obligation	27,552	-	27,552
Compensated absences payable	134,598	-	134,598
Landfill closure and postclosure	-	462,000	462,000
Certificates of participation	9,097,282	-	9,097,282
Notes payable	11,126,810	-	11,126,810
Claims and judgments	-	-	-
Total liabilities	31,116,074	492,382	31,608,456
NET ASSETS			
Invested in capital assets, net of related debt	56,294,955	708,711	57,003,666
Restricted for:			
Debt service	8,091,355	-	8,091,355
Capital projects	549,020	-	549,020
Public safety activities	406,137	-	406,137
Law library operations	134,085	-	134,085
Judicial activities	165,126	-	165,126
Tourism	5,865	-	5,865
Unrestricted	7,226,188	(492,165)	6,734,023
Total net assets	$ 72,872,731	$ 216,546	$ 73,089,277

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

Component Units			
Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
$ 243,225	$ 136,898	$ 302,899	$ 264,891
-	655,422	1,178,682	-
49,052	134,309	10,179	120,914
-	5,098	-	177
-	-	-	17,963
-	-	-	-
-	-	-	102,776
-	-	-	-
-	93,915	-	469,108
6,423	1,156,207	-	4,228,057
298,700	2,181,849	1,491,760	5,203,886
6,343	-	-	40,299
-	9,649	-	7,133
-	-	-	85,600
-	1,705	-	18,950
-	-	-	-
43,000	-	-	1,938
-	-	-	-
-	-	-	-
-	43,698	-	68,846
-	-	-	15,000
-	-	-	-
12,149	-	-	-
-	-	-	-
-	-	-	-
-	1,417,232	-	2,646,213
-	-	-	2,500
61,492	1,472,284	-	2,886,479
6,423	(210,808)	-	1,982,106
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
230,785	920,373	1,491,760	335,301
$ 237,208	$ 709,565	$ 1,491,760	$ 2,317,407

LUMPKIN COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

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	$ 3,144,444	$ 1,017,671	$ 176,238	$ -
Judicial	2,672,637	675,431	641,968	-
Public safety	8,965,029	2,423,058	312,046	-
Public works	2,613,580	51,281	44,879	16,500
Health and welfare	595,369	41,468	379,990	-
Culture and recreation	1,013,979	21,935	-	-
Housing and development	421,459	77,422	-	-
Interest on long-term debt	916,850	-	-	-
Total governmental activities	20,343,347	4,308,266	1,555,121	16,500
Business-type activities:				
Solid waste management	94,411	15,000	-	-
Total business-type activities	94,411	15,000	-	-
Total primary government	$ 20,437,758	$ 4,323,266	$ 1,555,121	$ 16,500
Component units:				
Health Department	$ 791,398	$ 304,295	$ 528,325	$ 16,088
Development Authority	2,746,805	146,379	244	2,499,911
Hospital Authority	10,366	-	-	-
Water and Sewerage Authority	884,613	1,006,064	-	-
Total component units	$ 4,433,182	$ 1,456,738	$ 528,569	$ 2,515,999
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Other taxes				
Unrestricted investment earnings				
Miscellaneous				
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
$ (1,950,535)	$ -	$ (1,950,535)		$ -	$ -	$ -	$ -
(1,355,238)	-	(1,355,238)		-	-	-	-
(6,229,925)	-	(6,229,925)		-	-	-	-
(2,500,920)	-	(2,500,920)		-	-	-	-
(173,911)	-	(173,911)		-	-	-	-
(992,044)	-	(992,044)		-	-	-	-
(344,037)	-	(344,037)		-	-	-	-
(916,850)	-	(916,850)		-	-	-	-
(14,463,460)	-	(14,463,460)		-	-	-	-
-	(79,411)	(79,411)		-	-	-	-
-	(79,411)	(79,411)		-	-	-	-
(14,463,460)	(79,411)	(14,542,871)		-	-	-	-
-	-	-		57,310	-	-	-
-	-	-		-	(100,271)	-	-
-	-	-		-	-	(10,366)	-
-	-	-		-	-	-	121,451
-	-	-		57,310	(100,271)	(10,366)	121,451
9,047,027	-	9,047,027		-	-	-	-
5,358,025	-	5,358,025		-	-	-	-
1,034,122	-	1,034,122		-	-	-	-
226,985	-	226,985		-	-	-	-
394,758	-	394,758		-	23,353	168,233	112
-	-	-		-	625,000	114,271	-
(66,415)	66,415	-		-	-	-	-
15,994,502	66,415	16,060,917		-	648,353	282,504	112
1,531,042	(12,996)	1,518,046		57,310	548,082	272,138	121,563
71,341,689	229,542	71,571,231		179,898	161,483	1,219,622	2,195,844
$ 72,872,731	$ 216,546	$ 73,089,277		$ 237,208	$ 709,565	$ 1,491,760	$ 2,317,407

LUMPKIN COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

ASSETS	General	Debt Service	SPLOST	Nonmajor Governmental Funds	Total
Cash and cash equivalents	$ 11,793,333	$ 972,902	$ 1,509,079	$ 466,182	$ 14,741,496
Restricted cash and cash equivalents	-	-	189,528	-	189,528
Investments	-	7,065,938	-	-	7,065,938
Receivables (net of allowance for uncollectibles)	2,523,851	237,042	251,552	363,651	3,376,096
Inventories	86,107	-	-	-	86,107
Due from other funds	1,387,465	-	-	97,458	1,484,923
Due from component unit	20,655	-	-	-	20,655
Prepaid items	254,825	-	3,125	31,896	289,846
Total assets	$ 16,066,236	$ 8,275,882	$ 1,953,284	$ 959,187	$ 27,254,589
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 499,359	$ -	$ 149,962	$ 75,213	$ 724,534
Other accrued liabilities	365,896	-	-	-	365,896
Due to other funds	97,458	-	1,251,177	136,288	1,484,923
Deferred revenues	8,246,610	202,944	-	249,113	8,698,667
Total liabilities	9,209,323	202,944	1,401,139	460,614	11,274,020
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	254,825	-	3,125	31,896	289,846
Inventories	86,107	-	-	-	86,107
Restricted for:					
Debt service	-	8,072,938	-	-	8,072,938
Capital projects	-	-	549,020	-	549,020
Public safety activities	-	-	-	289,785	289,785
Law library operations	-	-	-	134,085	134,085
Judicial activities	-	-	-	165,126	165,126
Tourism	-	-	-	5,865	5,865
Unassigned	6,515,981	-	-	(128,184)	6,387,797
Total fund balances	6,856,913	8,072,938	552,145	498,573	15,980,569
Total liabilities and fund balances	$ 16,066,236	$ 8,275,882	$ 1,953,284	$ 959,187	

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.	78,021,249
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	923,039
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(22,024,574)
Net pension obligation that is not due and payable in the current period and, therefore, not reported in governmental funds.	(27,552)
Net assets of governmental activities	$ 72,872,731

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, 2011

	General	Debt Service	SPLOST	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	$ 12,144,336	$ 203,226	$ 3,004,447	$ 205,371	$ 15,557,380
Licenses and permits	38,026	-	-	74,130	112,156
Fines and forfeitures	545,224	-	-	62,382	607,606
Charges for services	2,863,521	-	-	625,337	3,488,858
Interest income	23,459	370,455	2,637	844	397,395
Intergovernmental	590,857	-	-	1,044,274	1,635,131
Contributions and donations	20,853	-	-	47,815	68,668
Other	84,660	-	-	5,695	90,355
Total revenues	16,310,936	573,681	3,007,084	2,065,848	21,957,549
Expenditures:					
Current:					
General government	2,907,077	-	49,350	1,148	2,957,575
Judicial	1,519,886	-	-	731,817	2,251,703
Public safety	7,386,184	-	67,132	1,559,364	9,012,680
Public works	1,161,711	-	24,891	7,963	1,194,565
Health and welfare	565,547	-	-	-	565,547
Culture and recreation	826,450	-	-	-	826,450
Housing and development	89,515	-	-	319,951	409,466
Intergovernmental	-	-	573,675	-	573,675
Capital outlay	-	-	947,022	167,924	1,114,946
Debt service:					
Principal	44,610	1,233,985	140,000	21,000	1,439,595
Interest	74,429	509,444	356,876	1,050	941,799
Total expenditures	14,575,409	1,743,429	2,158,946	2,810,217	21,288,001
Excess (deficiency) of revenues over expenditures	1,735,527	(1,169,748)	848,138	(744,369)	669,548
Other financing sources (uses):					
Transfers in	94,352	-	25,000	779,021	898,373
Transfers out	(860,582)	-	-	(104,206)	(964,788)
Total other financing sources (uses)	(766,230)	-	25,000	674,815	(66,415)
Net change in fund balances	969,297	(1,169,748)	873,138	(69,554)	603,133
Fund balances (deficit), beginning of year	5,887,616	9,242,686	(320,993)	568,127	15,377,436
Fund balances, end of year	$ 6,856,913	$ 8,072,938	$ 552,145	$ 498,573	$ 15,980,569

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, 2011

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	603,133
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		(485,525)
In the statement of activities, only the gain or loss on the disposal 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 which were disposed of during the current fiscal year.		(6,599)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(16,745)
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.		1,412,557
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.		24,221
Change in net assets - governmental activities	$	1,531,042

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUND
DECEMBER 31, 2011

	Solid Waste Management Fund
ASSETS	
Current assets:	
Prepaid items	$ 217
Total current assets	217
Noncurrent assets:	
Capital assets:	
Capital assets, not being depreciated	192,103
Capital assets, being depreciated	981,191
Less accumulated depreciation	(464,583)
Total capital assets, net of accumulated depreciation	708,711
Total assets	708,928
LIABILITIES	
Current liabilities:	
Accounts payable	8,330
Compensated absences	52
Landfill postclosure, current	22,000
Total current liabilities	30,382
Long-term liabilities:	
Landfill postclosure	462,000
Total long-term liabilities	462,000
Total liabilities	492,382
NET ASSETS	
Invested in capital assets	708,711
Unrestricted	(492,165)
Total net assets	$ 216,546

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, 2011

	Solid Waste Management Fund
OPERATING REVENUES	
Charges for services	$ 15,000
Total operating revenues	15,000
OPERATING EXPENSES	
Salaries and benefits	28,854
Supplies and maintenance	38,862
Depreciation expense	26,695
Total operating expenses	94,411
Operating loss	(79,411)
Transfers in	66,415
Change in net assets	(12,996)
NET ASSETS, beginning of year	229,542
NET ASSETS, end of year	$ 216,546

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, 2011

	Solid Waste Management Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 15,000
Payments to suppliers and service providers	(52,561)
Payments to employees	(28,854)
Net cash used in operating activities	(66,415)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer in from other funds	66,415
Net cash provided by noncapital financing activities	66,415
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	$ (79,411)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	26,695
Decrease in prepaids	298
Increase in accounts payable	8,330
Decrease in interfund liabilities	(327)
Decrease in landfill postclosure care costs	(22,000)
Net cash used in operating activities	$ (66,415)

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2011

ASSETS	Agency Funds
Cash	$ 690,263
Taxes receivable	2,833,731
Accounts receivable	17,456
Total assets	$ 3,541,450
LIABILITIES	
Due to others	$ 707,719
Uncollected taxes	2,833,731
Total liabilities	$ 3,541,450

The accompanying notes are an integral part of these 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

The County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of January 1, 2011. This new standard changed the overall definitions and classifications of governmental fund balances.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity (Continued)

Fund balances are classified as follows:

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

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

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners.

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

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

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity (Continued)

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

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

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.

The remainder of this page is left blank intentionally

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 $22,024,574 difference are as follows:

Notes payable	$	(12,484,012)
Certificates of participation		(9,315,000)
Discount on issuance of certificates of participation		72,718
Debt issuance costs		197,890
Accrued interest		(218,532)
Compensated absences		(277,638)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	(22,024,574)

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 $485,525 difference are as follows:

Capital outlay	$	1,650,455
Depreciation expense		(2,135,980)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	(485,525)

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

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

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this $1,412,557 difference are as follows:

Principal repayments on certificates of participation	$	140,000
Principal repayments on notes payable		1,299,595
Amortization of discount and costs of issuance		(27,038)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	1,412,557

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 $24,221 difference are as follows:

Compensated absences	$	(8,078)
Net pension obligation		150
Accrued interest		32,149
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	24,221

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.
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, 2011. The fund deficits will be reduced through anticipated revenues, lower expenditures and General Fund appropriations, as needed.

Fund	Deficit
Drug Court Fund	$ 12,581
Planning Fund	113,065
Capital Projects Fund	1,165
Community Development Block Grant Fund	589

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

C. Excess Expenditures Over Appropriations

For the year ended December 31, 2011 expenditures exceeded the budget in the funds and General Fund departments as follows:

Fund/Department	Excess
General Fund - Legislative	$ 5,536
General Fund - Tax Commissioner	4,350
General Fund - Judicial Administration	2,475
General Fund - District Attorney	830
General Fund - Coroner	318
General Fund - Public Works Administration	1,413
General Fund - Sanitation and Wastewater	7,660
General Fund - Health	8,161
Law Library Fund	12,294
Drug Court Fund	31,976
Confiscated Assets Fund	3,711
Special Programs Fund	40,158
Technology Fee Fund	474
Multiple Grant Fund	42,677
Hotel / Motel Tax Fund	34,663

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.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

A. Primary Government (Continued)

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2011, the County is insured or collateralized as defined by state statutes and GASB pronouncements.

At December 31, 2011, 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, 2012	$ 1,783,294
Certificate of deposit	January 24, 2013	1,798,594
Certificate of deposit	June 24, 2013	1,799,617
Certificate of deposit	June 24, 2013	701,548
Certificate of deposit	June 24, 2013	701,947
Certificate of deposit	June 24, 2013	280,938
		$ 7,065,938

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

B. Component Unit – Health Department

Custodial credit risk. As of June 30, 2011, all of the Health Department's deposits and investments were collateralized with the depository financial institution.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

C. Component Unit – Development Authority

As of December 31, 2011, the Development Authority had the following investments:

Investment	Maturity		Fair Value
Certificate of deposit	October 27, 2012	$	525,016
Certificate of deposit	August 21, 2012		130,406
		Total $	655,422

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, 2011, all of the Development Authority's deposits and investments were collateralized with the depository financial institution.

D. Component Unit – Hospital Authority

As of December 31, 2011, the Hospital Authority had the following investments:

Investment	Maturity		Fair Value
GA Municipal Association COP	December 1, 2023	$	104,809
City of Dahlonega Revenue Bonds	July 1, 2030		207,436
City of Americus Bonds	June 1, 2030		122,114
Federal Farm Credit Bank	September 16, 2025		202,848
Federal Home Loan Mortgage Corp.	October 15, 2025		204,874
Federal Home Loan Mortgage Corp.	July 15, 2030		102,874
Tennessee Valley Authority	July 15, 2033		117,974
Federal Farm Credit Bank	June 8, 2037		115,753
		Total $	1,178,682

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, 2011, all of the Hospital Authority's deposits and investments were collateralized with the depository financial institution.

E. Component Unit – Water Authority

Custodial credit risk. As of December 31, 2011, all of the Water Authority's deposits and investments were collateralized with the depository financial institution.

NOTE 5. RECEIVABLES

A. Primary Government

Receivables at December 31, 2011, 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	$ 1,732,230	$ 43,479	$ 251,552	$ 37,051
Other governments	499,980	-	-	230,647
Accounts	1,262,411	193,563	-	95,953
Gross receivables	3,494,621	237,042	251,552	363,651
Less allowance for uncollectibles	(970,770)	-	-	-
Net receivables	$ 2,523,851	$ 237,042	$ 251,552	$ 363,651

Property taxes for the 2011 fiscal year were levied on September 15, 2010, with property values assessed as of January 1, 2010. Bills are payable on or before November 15, 2010, 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 2011 are for fiscal year 2012. Amounts recorded as a receivable and amounts collected as of December 31, 2011 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, 2011:

Receivables:	
Accounts	$ 136,529
Less allowance for uncollectibles	15,615
Net total receivables	$ 120,914

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 19,990,107	$ -	$ -	$ -	$ 19,990,107
Infrastructure land improvements	15,220,366	-	-	-	15,220,366
Construction in progress	13,850,044	503,461	-	-	14,353,505
Total capital assets, not being depreciated	49,060,517	503,461	-	-	49,563,978
Capital assets, being depreciated:					
Buildings and improvements	24,506,930	100,969	-	-	24,607,899
Machinery and equipment	3,369,271	312,852	-	-	3,682,123
Vehicles	3,475,765	261,842	-	-	3,737,607
Infrastructure	17,733,596	471,331	(150,266)	-	18,054,661
Total capital assets, being depreciated	49,085,562	1,146,994	(150,266)	-	50,082,290
Less accumulated depreciation for:					
Buildings and improvements	4,495,951	919,227	-	-	5,415,178
Machinery and equipment	2,440,580	145,384	-	-	2,585,964
Vehicles	2,219,993	200,463	-	-	2,420,456
Infrastructure	10,476,182	870,906	(143,667)	-	11,203,421
Total accumulated depreciation	19,632,706	2,135,980	(143,667)	-	21,625,019
Total capital assets, being depreciated, net	29,452,856	(988,986)	(6,599)	-	28,457,271
Governmental activities capital assets, net	$ 78,513,373	$ (485,525)	$ (6,599)	$ -	$ 78,021,249

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	223,310	12,085	-	235,395
Buildings and improvements	92,168	12,757	-	104,925
Machinery and equipment	75,610	1,853	-	77,463
Vehicles	46,800	-	-	46,800
Total accumulated depreciation	437,888	26,695	-	464,583
Total capital assets, being depreciated, net	543,303	(26,695)	-	516,608
Business-type activities capital assets, net	$ 735,406	$ (26,695)	$ -	$ 708,711

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	$ 178,458
Judicial	420,777
Public safety	376,688
Public works	922,207
Health and welfare	32,942
Culture and recreation	195,595
Housing and development	9,313
Total depreciation expense - governmental activities	$ 2,135,980

A. Discretely Presented Component Unit – Development Authority

Capital asset activity for the year ended December 31, 2011 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
Machinery and equipment	-	1,138	-	1,138
Total	1,377,227	1,138	-	1,378,365
Less accumulated depreciation for:				
Building	(193,878)	(28,090)	-	(221,968)
Machinery and equipment	-	(190)	-	(190)
Total	(193,878)	(28,280)	-	(222,158)
Total capital assets, being depreciated, net	1,183,349	(27,142)	-	1,156,207
Total capital assets, net	$ 1,277,264	$ (27,142)	$ -	$ 1,250,122

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Water Authority

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 10,292	$ -	$ -	$ 10,292
Construction in progress	8,970	449,846	-	458,816
Total	19,262	449,846	-	469,108
Capital assets, being depreciated:				
Infrastructure	5,636,625	7,477	-	5,644,102
Machinery and equipment	29,521	18,253	-	47,774
Vehicles	18,647	29,842	-	48,489
Total	5,684,793	55,572	-	5,740,365
Less accumulated depreciation for:				
Infrastructure	(1,303,730)	(171,877)	-	(1,475,607)
Machinery and equipment	(17,775)	(2,370)	-	(20,145)
Vehicles	(11,889)	(4,667)	-	(16,556)
Total	(1,333,394)	(178,914)	-	(1,512,308)
Total capital assets, being depreciated, net	4,351,399	(123,342)	-	4,228,057
Total capital assets, net	$ 4,370,661	$ 326,504	$ -	$ 4,697,165

D. Discretely Presented Component Unit – Department of Public Health

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 12,473	$ -	$ -	$ 12,473
Total capital assets, being depreciated	12,473	-	-	12,473
Less accumulated depreciation for:				
Machinery and equipment	(5,337)	(713)	-	(6,050)
Total accumulated depreciation	(5,337)	(713)	-	(6,050)
Total capital assets, net	$ 7,136	$ (713)	$ -	$ 6,423

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2011, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Nonmajor governmental funds	$ 136,288
General Fund	SPLOST Fund	1,251,177
Nonmajor governmental funds	General Fund	97,458

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, 2011 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmental funds	$ 94,352
Nonmajor governmental funds	General Fund	769,167
Solid Waste Fund	General Fund	66,415
SPLOST Fund	General Fund	25,000
Nonmajor governmental funds	Nonmajor governmental funds	9,854

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
Lumpkin County General Fund	Development Authority	$ 1,705
Lumpkin County General Fund	Water & Sewerage Authority	18,950

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Certificates of participation	$ 9,455,000	$ -	$ (140,000)	$ 9,315,000	$ 145,000
Less: Discount	(79,918)	-	7,200	(72,718)	-
Total certificates of participation	9,375,082	-	(132,800)	9,242,282	145,000
Notes payable	13,783,607	-	(1,299,595)	12,484,012	1,357,202
Net pension obligation	27,702	-	(150)	27,552	-
Compensated absences	269,560	149,956	(141,878)	277,638	143,040
Governmental activities long-term liabilities	$ 23,455,951	$ 149,956	$ (1,574,423)	$ 22,031,484	$ 1,645,242
Business-type Activities:					
Landfill postclosure costs	$ 506,000	$ -	$ (22,000)	$ 484,000	$ 22,000
Compensated absences	52	60	(60)	52	52
Business-type activities long-term liabilities	$ 506,052	$ 60	$ (22,060)	$ 484,052	$ 22,052

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

Notes Payable. In order to secure financing for the debts of the previous administration, the County transferred certain public buildings to a newly created entity, the Lumpkin County Public Building Authority. In February 2001, this Authority then sold those assets back to the County in exchange for the County's promise of payment backed by its full faith and credit and taxing power. The rights to receive those payments under the agreement for sale were then assigned to the bank which provided $15,750,000 in financing. Scheduled repayment of this sum including interest from 5.02% to 7.26%, is outlined below. Final payment is due February 1, 2017. In the event of any early payment, a premium determined by the February 2001 agreement would be due. During 2002, a Special Purpose Local Option Sales Tax was passed as provided by O.C.G.A. Sec 48-8-100, et 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
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	580,000	45,180	625,180
2017	610,000	15,311	625,311
Total	$ 5,695,000	$ 787,768	$ 6,482,768

In September 1999, Lumpkin County and the City of Dahlonega borrowed $4,475,000 from the Georgia Environmental Finance Authority (GEFA) to develop a reservoir. During 2001, the City and County entered into an agreement to increase the loan amount to $14,000,000. During 2006, the reservoir was completed and the loan finalized. The County's share of the obligation as of December 31, 2011, was $6,789,012 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
2012	$ 122,202	$ 201,999	$ 324,201
2013	125,919	198,282	324,201
2014	129,749	194,452	324,201
2015	133,696	190,505	324,201
2016	137,762	186,439	324,201
2017-2021	754,271	866,737	1,621,008
2022-2026	876,174	744,834	1,621,008
2027-2031	1,017,778	603,230	1,621,008
2032-2036	1,182,268	438,740	1,621,008
2037-2041	1,373,342	247,666	1,621,008
2042-2045	935,851	46,115	981,966
Total	$ 6,789,012	$ 3,918,999	$ 10,708,011

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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

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

Year ending December 31,	Principal	Interest	Total
2012	$ 145,000	$ 352,676	$ 497,676
2013	150,000	348,326	498,326
2014	510,000	343,826	853,826
2015	525,000	328,526	853,526
2016	540,000	311,726	851,726
2017-2021	3,000,000	1,258,690	4,258,690
2022-2026	3,630,000	626,730	4,256,730
2027	815,000	33,823	848,823
Total	$ 9,315,000	$ 3,604,323	$ 12,919,323

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, 2011, the amount outstanding related to these bonds is $1,108,465. 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, 2011, the County has 22 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately $484,000 over the 22 year period. These costs are based on what it would cost to perform all post-closure care in 2011, 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, 2011 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	$ 1,464,473	$ -	$ (3,543)	$ 1,460,930	$ 43,698

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 was modified on November 1, 2011. The modified loan amount is $1,464,473 with an annual variable interest rate of the institution's prime rate plus 1.50% adjusted on the first day of each month. The interest rate will not decrease below 5.25%. Principal and interest are paid monthly beginning on December 5, 2011 with a balloon payment of all remaining principal and accrued interest due on October 5, 2014.

C. Discretely Presented Component Unit – Water Authority

Long-term debt activity for the year ended December 31, 2011 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	$ 2,690,000	$ 403,000	$ (331,154)	$ 2,761,846	$ 68,846
Less: deferred charges, net	(51,986)	-	5,199	(46,787)	-
Total note payable	2,638,014	403,000	(325,955)	2,715,059	68,846
Claims and judgments	20,000	-	(2,500)	17,500	15,000
Compensated absences	4,994	4,877	(7,933)	1,938	1,938
Total long-term liabilities	$ 2,663,008	$ 407,877	$ (336,388)	$ 2,734,497	$ 85,784

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.

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

Notes payable debt service requirements to maturity are as follows:

Fiscal year ending December 31,	Principal	Interest	Total
2012	$ 68,846	$ 92,283	$ 161,129
2013	215,000	83,717	298,717
2014	220,000	74,933	294,933
2015	230,000	65,767	295,767
2016	245,000	56,017	301,017
2017-2021	1,380,000	119,400	1,499,400
Total	$ 2,358,846	$ 492,117	$ 2,850,963

On March 23, 2011, the Authority issued a note payable to borrow $408,000 from the Georgia Environmental Finance Authority for the purpose of funding the Copper Ridge well improvement project. As of December 31, 2011, $5,000 has not been drawn. Interest is accrued and paid until the earlier of final disbursement of the $408,000 or January 1, 2013. Shortly thereafter, monthly principal and interest payments will commence on the $408,000 for a 30 year repayment term at 3.00%. The outstanding balance of this note payable is $403,000 at December 31, 2011 which is not included in the above debt service table because it is in the draw down phase as of December 31, 2011. When construction of the project is completed, a repayment schedule will be determined and payments will commence shortly thereafter.

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, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 59,999	$ 38,444	$ (43,294)	$ 55,149	$ 43,000

NOTE 9. DEFINED BENEFIT PLAN

Plan Description

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

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

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, 2011, (the most recent actuarial valuation date) are as follows:

	January 1, 2011	January 1, 2010
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 249,703	$ 226,003
Interest on Net Pension Obligation	2,147	2,159
Amortization of Net Pension Obligation	(2,297)	(2,310)
Annual Pension Cost	$ 249,553	$ 225,852

Derivation of Net Pension Obligation	
Annual Pension Cost for Current Year	$ 249,553
Actual Contributions to Plan for Current Year	249,703
Increase in Net Pension Obligation	(150)
Net Pension Obligation (Asset) as of December 31, 2010	27,702
Net Pension Obligation (Asset) as of December 31, 2011	$ 27,552

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Basis of Valuation

Current Valuation Date	January 1, 2011
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
12/31/2011	$ 1,594,025	$ 2,481,470	$ 887,445	64.24 %	$ 5,033,107	17.63 %

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, 2011.

Trend Information for The Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/11	$ 249,553	$ 249,703	100.1 %	$ 27,552
1/1/10	225,852	226,003	100.1	27,702
1/1/09	249,926	130,778	52.3	27,853

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, 2011, the County's covered payroll for employees participating in this plan was $4,051,725 and total payroll was $7,832,805. The County's contribution was $152,961 and employee contributions were $160,660.

NOTE 11. RISK MANAGEMENT

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

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

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

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

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

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Contingencies

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

NOTE 13. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Georgia Mountains Regional Commission (RC) and is required to pay annual dues thereto. During the year ended December 31, 2011, the County paid $24,486 in such dues. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

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

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

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, 2011, the County made no payments to the Authority. As of December 31, 2011, 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, 2011, the County collected $111,687 in hotel/motel taxes. Of this amount $109,663, or 98%, was expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

REQUIRED SUPPLEMENTARY INFORMATION

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 12,053,614	$ 12,233,614	$ 12,144,336	$ (89,278)
Licenses and permits	40,000	40,000	38,026	(1,974)
Fines and forfeitures	522,350	522,350	545,224	22,874
Charges for services	2,229,217	3,005,217	2,863,521	(141,696)
Interest income	40,150	40,150	23,459	(16,691)
Intergovernmental	524,140	545,576	590,857	45,281
Contributions and donations	15,500	15,500	20,853	5,353
Other	98,726	98,726	84,660	(14,066)
Total revenues	15,523,697	16,501,133	16,310,936	(190,197)
Expenditures:				
Current:				
General government:				
Legislative	116,666	119,666	125,202	(5,536)
Executive	237,054	237,054	225,567	11,487
Board of elections	121,794	134,766	116,184	18,582
Human resources	175,447	187,447	181,326	6,121
Financial administration	382,640	427,640	415,940	11,700
Data processing	181,326	181,326	152,176	29,150
Tax commissioner	312,215	323,140	327,490	(4,350)
Public/General buildings	769,031	769,031	739,973	29,058
Customer service	260,017	261,290	222,005	39,285
Tax assessor	383,942	398,166	385,420	12,746
Risk management	34,000	34,000	15,794	18,206
Total general government	2,974,132	3,073,526	2,907,077	166,449
Judicial:				
Judicial administration	359,749	359,749	362,224	(2,475)
Superior court	253,161	253,161	173,710	79,451
Clerk superior court	485,248	485,248	465,660	19,588
District attorney	34,490	35,393	36,223	(830)
Magistrate court	264,411	264,411	251,501	12,910
Probate court	225,266	237,266	230,568	6,698
Total judicial	1,622,325	1,635,228	1,519,886	115,342
Public safety:				
Police	24,914	24,914	22,307	2,607
Fire	1,877,280	2,043,424	2,033,095	10,329
Sheriff	5,073,396	5,188,601	5,058,297	130,304
Emergency medical services	85,579	85,579	33,365	52,214
Coroner	25,969	25,969	26,287	(318)
Other protection	207,436	228,767	212,833	15,934
Total public safety	7,294,574	7,597,254	7,386,184	211,070
Public works:				
Public works administration	51,744	51,744	53,157	(1,413)
Highways and streets	979,064	1,005,962	947,344	58,618
Sanitation and wastewater	153,550	153,550	161,210	(7,660)
Total public works	1,184,358	1,211,256	1,161,711	49,545

(Continued)

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health	$ 244,678	$ 244,678	$ 252,839	$ (8,161)
Welfare	15,000	15,000	15,000	-
Community services	339,291	349,179	297,708	51,471
Total health and welfare	598,969	608,857	565,547	43,310
Culture and recreation:				
Participant recreation	602,807	602,807	469,881	132,926
Special facilities	103,038	103,038	9,999	93,039
Library	346,570	346,570	346,570	-
Total culture and recreation	1,052,415	1,052,415	826,450	225,965
Housing and development:				
Conservation	51,980	56,421	50,824	5,597
Economic development	34,305	39,305	38,691	614
Total housing and development	86,285	95,726	89,515	6,211
Debt service:				
Principal	44,610	44,610	44,610	-
Interest	74,430	74,430	74,429	1
Total debt service	119,040	119,040	119,039	1
Total expenditures	14,932,098	15,393,302	14,575,409	817,893
Excess of revenues over expenditures	591,599	1,107,831	1,735,527	627,696
Other financing sources (uses):				
Transfers in	-	-	94,352	94,352
Transfers out	(662,774)	(1,191,978)	(860,582)	331,396
Total other financing sources (uses)	(662,774)	(1,191,978)	(766,230)	425,748
Net change in fund balances	(71,175)	(84,147)	969,297	1,053,444
Fund balances, beginning of year	5,887,616	5,887,616	5,887,616	-
Fund balances, end of year	$ 5,816,441	$ 5,803,469	$ 6,856,913	$ 1,053,444

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 31,2011	$ 1,594,025	$ 2,481,470	$ 887,445	64.2%	$ 5,033,107	17.6%
December 31,2010	1,367,926	2,197,884	829,958	62.2%	4,392,860	18.9%
December 31,2009	1,124,824	2,016,675	891,851	55.8%	4,759,587	18.7%
December 31,2008	1,006,023	1,694,220	688,197	59.4%	4,536,121	15.2%
December 31,2007	779,863	1,309,860	529,997	59.5%	3,725,143	14.2%
December 31,2006	582,296	1,136,212	553,916	51.2%	3,680,943	15.0%

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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, 2011

	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	$ -	$ 133,530	$ -	$ 5,891	$ -	$ 1,752	$ 51,148
Receivables, net of allowance for uncollectibles	-	-	92,104	1,204	4,009	-	-
Due from other funds	76,033	555	-	-	5,050	-	-
Prepaid items	5,000	-	2,229	-	-	-	-
Total assets	$ 81,033	$ 134,085	$ 94,333	$ 7,095	$ 9,059	$ 1,752	$ 51,148
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ 28,311	$ 14,668	$ 400	$ -	$ -
Due to other funds	-	-	-	8	-	-	2,440
Deferred revenue	-	-	-	5,000	-	-	-
Total liabilities	-	-	28,311	19,676	400	-	2,440
FUND BALANCES (DEFICIT)							
Nonspendable:							
Prepaid items	5,000	-	2,229	-	-	-	-
Restricted for:							
Public safety activities	76,033	-	63,793	-	8,659	1,752	48,708
Law library operations	-	134,085	-	-	-	-	-
Judicial activities	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-
Unassigned	-	-	-	(12,581)	-	-	-
Total fund balances (deficit)	81,033	134,085	66,022	(12,581)	8,659	1,752	48,708
Total liabilities and fund balances	$ 81,033	$ 134,085	$ 94,333	$ 7,095	$ 9,059	$ 1,752	$ 51,148

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
$ 129,903	$ 23,363	$ -	$ 43,229	$ 75,366	$ -	$ 2,000	$ 466,182
-	-	208,784	8,347	27,341	-	21,862	363,651
-	15,820	-	-	-	-	-	97,458
23,883	-	-	-	784	-	-	31,896
$ 153,786	$ 39,183	$ 208,784	$ 51,576	$ 103,491	$ -	$ 23,862	$ 959,187
$ 1,705	$ 2,032	$ 10,999	$ 10,431	$ 5,502	$ 1,165	$ -	$ 75,213
223	-	-	35,280	83,293	-	15,044	136,288
-	-	106,945	-	127,761	-	9,407	249,113
1,928	2,032	117,944	45,711	216,556	1,165	24,451	460,614
23,883	-	-	-	784	-	-	31,896
-	-	90,840	-	-	-	-	289,785
-	-	-	-	-	-	-	134,085
127,975	37,151	-	-	-	-	-	165,126
-	-	-	5,865	-	-	-	5,865
-	-	-	-	(113,849)	(1,165)	(589)	(128,184)
151,858	37,151	90,840	5,865	(113,065)	(1,165)	(589)	498,573
$ 153,786	$ 39,183	$ 208,784	$ 51,576	$ 103,491	$ -	$ 23,862	$ 959,187

LUMPKIN COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

	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	36,845	20,162	-	-	-	5,375	-
Charges for services	-	-	480,367	54,710	1,400	-	74,173
Interest income	-	-	-	59	-	7	10
Intergovernmental	-	-	-	25,927	6,353	-	-
Contributions and donations	-	-	-	36,854	-	-	10,961
Other revenues	-	-	-	5,695	-	-	-
Total revenues	36,845	20,162	480,367	123,245	7,753	5,382	85,144
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Judicial	4,548	42,294	-	184,023	6,353	-	-
Public safety	8,125	-	982,079	-	-	5,211	70,258
Public works	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	12,673	42,294	982,079	184,023	6,353	5,211	70,258
Excess (deficiency) of revenues over expenditures	24,172	(22,132)	(501,712)	(60,778)	1,400	171	14,886
Other financing sources (uses):							
Transfers in	-	-	460,412	21,854	-	-	-
Transfers out	(9,854)	-	-	-	-	-	-
Total other financing sources (uses)	(9,854)	-	460,412	21,854	-	-	-
Net change in fund balances	14,318	(22,132)	(41,300)	(38,924)	1,400	171	14,886
Fund balances (deficit), beginning of year	66,715	156,217	107,322	26,343	7,259	1,581	33,822
Fund balances (deficit), end of year	$ 81,033	$ 134,085	$ 66,022	$ (12,581)	$ 8,659	$ 1,752	$ 48,708

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
$ -	$ -	$ -	$ 111,687	$ 93,684	$ -	$ -	$ 205,371
-	-	-	-	74,130	-	-	74,130
-	-	-	-	-	-	-	62,382
-	11,395	-	-	3,292	-	-	625,337
348	-	-	88	332	-	-	844
236,278	-	763,262	-	-	-	12,454	1,044,274
-	-	-	-	-	-	-	47,815
-	-	-	-	-	-	-	5,695
236,626	11,395	763,262	111,775	171,438	-	12,454	2,065,848
-	-	1,148	-	-	-	-	1,148
329,848	19,674	130,211	-	-	14,866	-	731,817
-	-	493,691	-	-	-	-	1,559,364
-	-	-	-	-	7,963	-	7,963
-	-	-	109,663	210,109	-	179	319,951
-	-	-	-	-	154,060	13,864	167,924
-	-	-	-	-	21,000	-	21,000
-	-	-	-	-	1,050	-	1,050
329,848	19,674	625,050	109,663	210,109	198,939	14,043	2,810,217
(93,222)	(8,279)	138,212	2,112	(38,671)	(198,939)	(1,589)	(744,369)
98,981	-	-	-	-	197,774	-	779,021
-	-	(94,352)	-	-	-	-	(104,206)
98,981	-	(94,352)	-	-	197,774	-	674,815
5,759	(8,279)	43,860	2,112	(38,671)	(1,165)	(1,589)	(69,554)
146,099	45,430	46,980	3,753	(74,394)	-	1,000	568,127
$ 151,858	$ 37,151	$ 90,840	$ 5,865	$ (113,065)	$ (1,165)	$ (589)	$ 498,573

LUMPKIN COUNTY, GEORGIA
DRUG REHABILITATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 24,000	$ 24,000	$ 36,845	$ 12,845
Total revenues	24,000	24,000	36,845	12,845
Expenditures:				
Current:				
Judicial	4,548	4,548	4,548	-
Public safety	8,840	8,840	8,125	715
Total expenditures	13,388	13,388	12,673	715
Excess of revenues over expenditures	10,612	10,612	24,172	13,560
Other financing uses:				
Transfers out	(10,612)	(10,612)	(9,854)	758
Total other financing uses	(10,612)	(10,612)	(9,854)	758
Net changes in fund balances	-	-	14,318	14,318
Fund balances, beginning of year	66,715	66,715	66,715	-
Fund balances, end of year	$ 66,715	$ 66,715	$ 81,033	$ 14,318

LUMPKIN COUNTY, GEORGIA
LAW LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 15,000	$ 15,000	$ 20,162	$ 5,162
Total revenues	15,000	15,000	20,162	5,162
Expenditures:				
Current:				
Judicial	30,000	30,000	42,294	(12,294)
Total expenditures	30,000	30,000	42,294	(12,294)
Net changes in fund balances	(15,000)	(15,000)	(22,132)	(7,132)
Fund balances, beginning of year	156,217	156,217	156,217	-
Fund balances, end of year	$ 141,217	$ 141,217	$ 134,085	$ (7,132)

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, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 426,400	$ 426,400	$ 480,367	$ 53,967
Total revenues	426,400	426,400	480,367	53,967
Expenditures:				
Current:				
Public safety	675,484	1,090,484	982,079	108,405
Total expenditures	675,484	1,090,484	982,079	108,405
Deficiency of revenues over expenditures	(249,084)	(664,084)	(501,712)	162,372
Other financing sources:				
Transfers in	249,084	664,084	460,412	(203,672)
Total other financing sources	249,084	664,084	460,412	(203,672)
Net changes in fund balances	-	-	(41,300)	(41,300)
Fund balances, beginning of year	107,322	107,322	107,322	-
Fund balances, end of year	$ 107,322	$ 107,322	$ 66,022	$ (41,300)

LUMPKIN COUNTY, GEORGIA
DRUG COURT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 54,214	$ 54,214	$ 54,710	$ 496
Intergovernmental	20,000	20,000	25,927	5,927
Interest income	125	125	59	(66)
Contributions	36,854	36,854	36,854	-
Miscellaneous	4,000	4,000	5,695	1,695
Total revenues	115,193	115,193	123,245	8,052
Expenditures:				
Current:				
Judicial	152,047	152,047	184,023	(31,976)
Total expenditures	152,047	152,047	184,023	(31,976)
Deficiency of revenues over expenditures	(36,854)	(36,854)	(60,778)	(23,924)
Other financing sources:				
Transfers in	21,854	21,854	21,854	-
Total other financing sources	21,854	21,854	21,854	-
Net changes in fund balances	(15,000)	(15,000)	(38,924)	(23,924)
Fund balances, beginning of year	26,343	26,343	26,343	-
Fund balances (deficits), end of year	$ 11,343	$ 11,343	$ (12,581)	$ (23,924)

LUMPKIN COUNTY, GEORGIA
JUVENILE SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ -	$ -	$ 1,400	$ 1,400
Intergovernmental	7,500	7,500	6,353	(1,147)
Total revenues	7,500	7,500	7,753	253
Expenditures:				
Current:				
Judicial	7,500	7,500	6,353	1,147
Total expenditures	7,500	7,500	6,353	1,147
Net changes in fund balances	-	-	1,400	1,400
Fund balances, beginning of year	7,259	7,259	7,259	-
Fund balances, end of year	$ 7,259	$ 7,259	$ 8,659	$ 1,400

LUMPKIN COUNTY, GEORGIA
CONFISCATED ASSETS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 1,500	$ 1,500	$ 5,375	$ 3,875
Interest income	-	-	7	7
Total revenues	1,500	1,500	5,382	3,882
Expenditures:				
Current:				
Public safety	1,500	1,500	5,211	(3,711)
Total expenditures	1,500	1,500	5,211	(3,711)
Net changes in fund balances	-	-	171	171
Fund balances, beginning of year	1,581	1,581	1,581	-
Fund balances, end of year	$ 1,581	$ 1,581	$ 1,752	$ 171

LUMPKIN COUNTY, GEORGIA
SPECIAL PROGRAMS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 20,000	$ 20,000	$ 74,173	$ 54,173
Contributions and donations	10,000	10,000	10,961	961
Interest income	100	100	10	(90)
Total revenues	30,100	30,100	85,144	55,044
Expenditures:				
Current:				
Public safety	30,100	30,100	70,258	(40,158)
Total expenditures	30,100	30,100	70,258	(40,158)
Net changes in fund balances	-	-	14,886	14,886
Fund balances, beginning of year	33,822	33,822	33,822	-
Fund balances, end of year	$ 33,822	$ 33,822	$ 48,708	$ 14,886

LUMPKIN COUNTY, GEORGIA
PUBLIC DEFENDER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 247,126	$ 247,126	$ 236,278	$ (10,848)
Interest income	100	100	348	248
Total revenues	247,226	247,226	236,626	(10,600)
Expenditures:				
Current:				
Judicial	348,657	348,657	329,848	18,809
Total expenditures	348,657	348,657	329,848	18,809
Deficiency of revenues over expenditures	(101,431)	(101,431)	(93,222)	8,209
Other financing sources:				
Transfers in	101,431	101,431	98,981	(2,450)
Total other financing sources	101,431	101,431	98,981	(2,450)
Net changes in fund balances	-	-	5,759	5,759
Fund balances, beginning of year	146,099	146,099	146,099	-
Fund balances, end of year	$ 146,099	$ 146,099	$ 151,858	$ 5,759

LUMPKIN COUNTY, GEORGIA
TECHNOLOGY FEE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 19,200	$ 19,200	$ 11,395	$ (7,805)
Total revenues	19,200	19,200	11,395	(7,805)
Expenditures:				
Current:				
Judicial	19,200	19,200	19,674	(474)
Total expenditures	19,200	19,200	19,674	(474)
Net changes in fund balances	-	-	(8,279)	(8,279)
Fund balances, beginning of year	45,430	45,430	45,430	-
Fund balances, end of year	$ 45,430	$ 45,430	$ 37,151	$ (8,279)

LUMPKIN COUNTY, GEORGIA
MULTIPLE GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 375,677	$ 669,624	$ 763,262	$ 93,638
Contributions and donations	3,000	3,000	-	(3,000)
Miscellaneous	22,013	22,013	-	(22,013)
Total revenues	400,690	694,637	763,262	68,625
Expenditures:				
Current:				
General government	-	-	1,148	(1,148)
Public safety	331,255	463,687	493,691	(30,004)
Judicial	88,301	118,686	130,211	(11,525)
Total expenditures	419,556	582,373	625,050	(42,677)
Excess (deficiency) of revenues over expenditures	(18,866)	112,264	138,212	25,948
Other financing sources (uses):				
Transfers in	99,866	99,866	-	(99,866)
Transfers out	50,000	50,000	(94,352)	(144,352)
Total other financing sources (uses)	149,866	149,866	(94,352)	(244,218)
Net changes in fund balances	131,000	262,130	43,860	(218,270)
Fund balances, beginning of year	46,980	46,980	46,980	-
Fund balances, end of year	$ 177,980	$ 309,110	$ 90,840	$ (218,270)

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, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Hotel/Motel taxes	$ 75,000	$ 75,000	$ 111,687	$ 36,687
Interest	50	50	88	38
Total revenues	75,050	75,050	111,775	36,725
Expenditures:				
Current:				
Housing and development	75,000	75,000	109,663	(34,663)
Total expenditures	75,000	75,000	109,663	(34,663)
Excess of revenues over expenditures	50	50	2,112	2,062
Other financing uses:				
Transfers out	(50)	(50)	-	50
Total other financing uses	(50)	(50)	-	50
Net changes in fund balances	-	-	2,112	2,112
Fund balances, beginning of year	3,753	3,753	3,753	-
Fund balances, end of year	$ 3,753	$ 3,753	$ 5,865	$ 2,112

LUMPKIN COUNTY, GEORGIA
PLANNING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 101,097	$ 101,097	$ 93,684	$ (7,413)
Licenses and permits	104,000	104,000	74,130	(29,870)
Charges for services	7,500	7,500	3,292	(4,208)
Interest income	-	-	332	332
Total revenues	212,597	212,597	171,438	(41,159)
Expenditures:				
Current:				
Housing and development	212,597	212,597	210,109	2,488
Total expenditures	212,597	212,597	210,109	2,488
Net changes in fund balances	-	-	(38,671)	(38,671)
Fund balances (deficit), beginning of year	(74,394)	(74,394)	(74,394)	-
Fund balances (deficit), end of year	$ (74,394)	$ (74,394)	$ (113,065)	$ (38,671)

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, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 203,664	$ 203,664	$ 203,226	$ (438)
Investment income	301,500	301,500	370,455	68,955
Total revenues	505,164	505,164	573,681	68,517
Expenditures:				
Debt service:				
Principal	1,163,986	1,163,986	1,233,985	(69,999)
Interest	581,058	581,058	509,444	71,614
Total expenditures	1,745,044	1,745,044	1,743,429	1,615
Net change in fund balances	(1,239,880)	(1,239,880)	(1,169,748)	70,132
Fund balances, beginning of year	9,242,686	9,242,686	9,242,686	-
Fund balances, end of year	$ 8,002,806	$ 8,002,806	$ 8,072,938	$ 70,132

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2011

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	$ 12,181,903	$ 1,538,267	$ 13,720,170
2008 SPLOST					
Judicial Facilities	$ 14,000,000	$ 14,000,000	$ 5,440,939	$ 574,987	$ 6,015,926
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	397,151	773,769
Administrative Facilities	1,000,000	1,000,000	887,854	101,037	988,891
Public Safety Vehicles	1,376,000	1,376,000	156,941	237,368	394,309
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	-	60,974	60,974
E911 Equipment	240,000	240,000	-	213,754	213,754
City of Dahlonega Water Treatment Facilities	4,284,000	4,284,000	1,442,062	573,675	2,015,737
Total 2008 SPLOST	$ 35,000,000	$ 35,000,000	$ 9,697,737	$ 2,158,946	$ 11,856,683
2003 SPLOST Expenditures disbursed from Debt Service Fund				$ 1,538,267	
Total SPLOST Fund Expenditures				$ 2,158,946	

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, 2011

ASSETS	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total
Cash	$ 470,950	$ 16,798	$ 190,108	$ 10,965	$ 1,442	$ 690,263
Taxes receivable	2,833,731	-	-	-	-	2,833,731
Accounts receivable	-	17,456	-	-	-	17,456
Total assets	$ 3,304,681	$ 34,254	$ 190,108	$ 10,965	$ 1,442	$ 3,541,450
LIABILITIES						
Due to others	$ 470,950	$ 34,254	$ 190,108	$ 10,965	$ 1,442	$ 707,719
Uncollected taxes	2,833,731	-	-	-	-	2,833,731
Total liabilities	$ 3,304,681	$ 34,254	$ 190,108	$ 10,965	$ 1,442	$ 3,541,450

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance January 1, 2011	Increases	Decreases	Balance December 31, 2011
Tax Commissioner				
ASSETS				
Cash	$ 337,640	$ 25,909,266	$ (25,775,956)	$ 470,950
Taxes receivable	3,328,559	14,155,726	(14,650,554)	2,833,731
Total assets	$ 3,666,199	$ 40,064,992	$ (40,426,510)	$ 3,304,681
LIABILITIES				
Due to others	$ 337,640	$ 25,909,266	$ (25,775,956)	$ 470,950
Uncollected taxes	3,328,559	14,155,726	(14,650,554)	2,833,731
Total liabilities	$ 3,666,199	$ 40,064,992	$ (40,426,510)	$ 3,304,681
Sheriff				
ASSETS				
Cash	$ 15,289	$ 168,335	$ (166,826)	$ 16,798
Accounts receivable	15,317	17,456	(15,317)	17,456
Total assets	$ 30,606	$ 185,791	$ (182,143)	$ 34,254
LIABILITIES				
Due to others	$ 30,606	$ 185,791	$ (182,143)	$ 34,254
Total liabilities	$ 30,606	$ 185,791	$ (182,143)	$ 34,254
Clerk of Courts				
ASSETS				
Cash	$ 239,609	$ 1,287,791	$ (1,337,292)	$ 190,108
Total assets	$ 239,609	$ 1,287,791	$ (1,337,292)	$ 190,108
LIABILITIES				
Due to others	$ 239,609	$ 1,287,791	$ (1,337,292)	$ 190,108
Total liabilities	$ 239,609	$ 1,287,791	$ (1,337,292)	$ 190,108

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance January 1, 2011	Increases	Decreases	Balance December 31, 2011
Probate Court				
ASSETS				
Cash	$ 5,132	$ 363,793	$ (357,960)	$ 10,965
Total assets	$ 5,132	$ 363,793	$ (357,960)	$ 10,965
LIABILITIES				
Due to others	$ 5,132	$ 363,793	$ (357,960)	$ 10,965
Total liabilities	$ 5,132	$ 363,793	$ (357,960)	$ 10,965
Magistrate Court				
ASSETS				
Cash	$ 941	$ 30,165	$ (29,664)	$ 1,442
Total assets	$ 941	$ 30,165	$ (29,664)	$ 1,442
LIABILITIES				
Due to others	$ 941	$ 30,165	$ (29,664)	$ 1,442
Total liabilities	$ 941	$ 30,165	$ (29,664)	$ 1,442
Total Agency Funds				
ASSETS				
Cash	$ 598,611	$ 27,759,350	$ (27,667,698)	$ 690,263
Taxes receivable	3,328,559	14,155,726	(14,650,554)	2,833,731
Accounts receivable	15,317	17,456	(15,317)	17,456
Total assets	$ 3,942,487	$ 41,932,532	$ (42,333,569)	$ 3,541,450
LIABILITIES				
Due to others	$ 613,928	$ 27,776,806	$ (27,683,015)	$ 707,719
Uncollected taxes	3,328,559	14,155,726	(14,650,554)	2,833,731
Total liabilities	$ 3,942,487	$ 41,932,532	$ (42,333,569)	$ 3,541,450

COMPONENT UNIT – HOSPITAL AUTHORITY

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - HOSPITAL AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2011

	Hospital Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	$ (10,366)
Net cash used in operating activities	(10,366)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Contributions	114,271
Net provided by non-capital financing activities	114,271
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(321,473)
Sales of investments	323,945
Interest received	43,366
Net cash provided by investing activities	45,838
Net increase in cash and cash equivalents	149,743
Cash and cash equivalents:	
Beginning of year	153,156
End of year	$ 302,899
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (10,366)
Net cash used in operating activities	$ (10,366)
NON-CASH INVESTING ACTIVITIES	
Unrealized gain on investments	$ 128,151

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 ..... **81 - 87**

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 ..... **88 - 92**

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

Debt Capacity ..... **93 - 96**

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 ..... **97 and 98**

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 ..... **99 - 101**

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 NINE FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities									
Invested in capital assets, net of related debt	**$ 56,295**	$ 55,355	$ 52,684	$ 49,322	$ 49,013	$ 45,080	$ 42,989	$ 40,372	$ 39,257
Restricted	**9,352**	9,243	11,484	11,484	11,783	9,734	7,321	5,732	3,528
Unrestricted	**7,226**	6,744	5,583	5,627	3,489	5,757	4,947	5,508	7,697
Total governmental activities net assets	**$ 72,873**	$ 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	**$ 709**	$ 735	$ 762	$ 798	$ 834	$ 870	$ 849	$ 548	$ 544
Restricted	**-**	-	-	-	-	-	-	-	-
Unrestricted	**(492)**	(506)	(407)	(419)	(440)	(430)	(321)	(446)	(464)
Total business-type activities net assets	**$ 217**	$ 229	$ 355	$ 379	$ 394	$ 440	$ 528	$ 102	$ 80
Primary government									
Invested in capital assets, net of related debt	**$ 57,004**	$ 56,090	$ 53,446	$ 50,120	$ 49,847	$ 45,950	$ 43,838	$ 40,920	$ 39,801
Restricted	**9,352**	9,243	11,484	11,484	11,783	9,734	7,321	5,732	3,528
Unrestricted	**6,734**	6,238	5,176	5,208	3,049	5,327	4,626	5,062	7,233
Total primary government net assets	**$ 73,090**	$ 71,571	$ 70,106	$ 66,812	$ 64,679	$ 61,011	$ 55,785	$ 51,714	$ 50,562

LUMPKIN COUNTY, GEORGIA

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses									
Governmental activities:									
General government	**$ 3,144**	$ 3,210	$ 2,843	$ 3,437	$ 2,742	$ 2,589	$ 2,276	$ 2,297	$ 1,921
Judicial system	**2,673**	2,585	2,403	2,476	2,409	2,097	2,139	1,789	1,679
Public safety	**8,965**	9,004	7,958	9,260	7,845	7,326	6,680	6,268	5,764
Public works	**2,614**	2,604	2,450	1,182	2,489	2,275	2,096	2,125	1,741
Health and welfare	**595**	613	654	1,045	556	451	480	463	401
Culture and recreation	**1,014**	1,334	1,336	1,450	1,413	1,343	1,225	1,243	1,106
Housing and development	**421**	424	458	705	629	923	481	521	550
Interest on long-term debt	**917**	998	750	1,064	819	883	730	791	803
Total governmental activities expenses	**20,343**	20,772	18,852	20,619	18,902	17,887	16,107	15,497	13,965
Business-type activities:									
Solid Waste	**94**	225	119	133	143	93	130	511	514
Total business-type activities expenses	**94**	225	119	133	143	93	130	511	514
Total primary government expenses	**$ 20,437**	$ 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	**$ 1,018**	$ 1,177	$ 895	$ 1,278	$ 1,242	$ 869	$ 691	$ 514	$ 660
Judicial system	**675**	771	682	726	603	764	536	(670)	930
Public safety	**2,423**	1,921	2,030	1,172	1,660	1,601	2,165	1,611	1,238
Public works	**51**	53	49	1	4	9	5	9	22
Health and welfare	**42**	52	2	20	27	15	14	12	11
Culture and recreation	**22**	216	262	318	283	366	278	306	254
Housing and development	**77**	96	120	240	59	580	521	395	299
Operating grants and contributions	**1,555**	1,567	1,276	1,541	885	738	1,001	438	506
Capital grants and contributions	**17**	54	202	194	1,800	2,451	1,768	1,337	400
Total governmental activities program revenues	**5,880**	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**	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**	15	20	61	43	33	165	417	550
Total primary government program revenues	**$ 5,895**	$ 5,922	$ 5,538	$ 5,551	$ 6,606	$ 7,426	$ 7,144	$ 4,369	$ 4,870
Net (expense)/revenue									
Governmental activities	**$ (14,463)**	$ (14,865)	$ (13,334)	$ (15,129)	$ (12,339)	$ (10,494)	$ (9,128)	$ (11,545)	$ (9,645)
Business-type activities	**(79)**	(210)	(99)	(72)	(100)	(60)	35	(94)	36
Total primary government net expense	**$ (14,542)**	$ (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	**$ 9,047**	$ 9,850	$ 9,841	$ 9,708	$ 7,976	$ 7,251	$ 6,005	$ 5,859	$ 5,726
Sales taxes	**5,358**	5,195	5,324	5,777	6,276	6,105	5,127	5,060	4,578
Insurance premium taxes	**1,034**	828	852	864	844	802	765	717	662
Other taxes	**227**	219	185	223	204	691	570	574	545
Unrestricted investment earnings	**394**	448	511	732	749	569	378	241	250
Unrestricted grants and contributions	**-**	-	-	-	-	331	292	284	272
Gain on sale of capital assets	**-**	-	14	30	-	32	-	42	(89)
Transfers	**(66)**	(84)	(76)	(57)	(54)	27	(364)	(102)	52
Total governmental activities	**15,994**	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	**66**	84	75	57	54	(27)	364	102	(52)
Total business-type activities	**66**	84	75	57	54	(27)	391	116	(52)
Total primary government	**$ 16,060**	$ 16,540	$ 16,726	$ 17,334	$ 16,049	$ 15,781	$ 13,164	$ 12,791	$ 11,944
Change in Net Assets									
Governmental activities	**$ 1,531**	$ 1,591	$ 3,317	$ 2,148	$ 3,656	$ 5,314	$ 3,645	$ 1,130	$ 2,351
Business-type activities	**(13)**	(126)	(24)	(15)	(46)	(87)	426	22	(16)
Total primary government	**$ 1,518**	$ 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)

	2011 (2)	2010	2009	2008	2007
General fund					
Reserved	**$ -**	$ 449	$ 296	$ 329	$ 463
Unreserved	**-**	5,439	4,993	3,550	3,796
Nonspendable:					
Prepaid items	**255**	-	-	-	-
Inventory	**86**	-	-	-	-
Unassigned	**6,516**	-	-	-	-
Total general fund	**$ 6,857**	$ 5,888	$ 5,289	$ 3,879	$ 4,259
All other governmental funds					
Reserved	**$ -**	$ 9,297	$ 10,404	$ 11,529	$ 11,830
Unreserved, reported in:					
Special revenue funds	**-**	512	314	351	468
Capital projects funds (1)	**-**	(320)	524	8,420	(1,107)
Nonspendable:					
Prepaid items	**35**	-	-	-	-
Restricted for:					
Debt service	**8,073**	-	-	-	-
Capital projects	**549**	-	-	-	-
Public safety activities	**290**	-	-	-	-
Law library operations	**134**	-	-	-	-
Judicial activities	**165**	-	-	-	-
Tourism	**6**	-	-	-	-
Unassigned	**(128)**	-	-	-	-
Total all other governmental funds	**$ 9,124**	$ 9,489	$ 11,242	$ 20,300	$ 11,191

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

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

2006	2005	2004	2003	2002
$ 493	$ 433	$ 296	$ 303	$ 249
4,834	3,549	4,431	4,407	4,403
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 5,327	$ 3,982	$ 4,727	$ 4,710	$ 4,652
$ 9,320	$ 7,006	$ 5,451	$ 3,528	$ 7
454	369	271	232	239
122	405	397	774	3,692
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 9,896	$ 7,780	$ 6,119	$ 4,534	$ 3,938

LUMPKIN COUNTY, GEORGIA

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

	2011	2010	2009	2008	2007
Revenues					
Taxes	**$ 15,557**	$ 16,292	$ 15,718	$ 15,908	$ 15,773
Licenses and permits	**112**	131	147	215	345
Fines and forfeitures	**608**	660	606	616	513
Charges for services	**3,489**	3,312	3,146	2,753	2,797
Interest income	**397**	456	511	732	749
Intergovernmental	**1,635**	1,665	1,256	1,461	1,136
Contributions and donations	**69**	111	222	229	129
Miscellaneous	**90**	183	142	171	224
Total revenues	**21,957**	22,811	21,748	22,085	21,666
Expenditures					
General government	**2,958**	3,029	2,637	3,232	2,546
Judicial	**2,252**	2,585	2,386	2,470	2,400
Public safety	**9,013**	8,611	7,498	8,229	7,504
Public works	**1,194**	1,056	1,092	1,331	1,285
Health and welfare	**565**	600	643	641	534
Culture and recreation	**826**	1,138	1,144	1,309	1,297
Housing and development	**409**	420	440	696	608
Intergovernmental	**574**	504	517	-	-
Capital outlay (1)	**1,115**	3,481	10,596	2,672	3,578
Debt service					
Principal	**1,440**	1,434	1,306	1,378	1,021
Interest	**942**	1,022	1,100	1,022	860
Other charges	**-**	-	-	270	-
Total expenditures	**21,288**	23,881	29,359	23,250	21,633
Excess (deficiency) of revenues over (under) expenditures	**669**	(1,070)	(7,611)	(1,165)	33
Other financing sources (uses)					
Transfers in	**898**	1,087	829	1,326	2,812
Transfers out	**(964)**	(1,171)	(904)	(1,383)	(2,867)
Issuance of debt	**-**	-	-	10,000	90
Discount on issuance of debt	**-**	-	-	(99)	-
Sale of capital assets	**-**	-	39	49	-
Total other financing sources (uses)	**(66)**	(84)	(36)	9,893	35
Net change in fund balances	**$ 603**	$ (1,154)	$ (7,647)	$ 8,728	$ 68
Debt service as a percentage of noncapital expenditures	**12.1%**	12.0%	13.2%	13.1%	10.4%
Total debt service expenditures	**2,382**	2,456	2,406	2,670	1,881
Total non-capital expenditures	**19,638**	20,401	18,253	20,399	18,055

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

2006	2005	2004	2003	2002
$ 14,928	$ 12,516	$ 12,108	$ 11,526	$ 11,288
475	431	320	252	219
660	500	710	649	701
3,206	3,147	2,860	2,482	1,816
569	378	241	250	362
1,558	1,295	1,450	988	1,728
229	100	46	26	66
61	9	3	48	38
21,686	18,376	17,738	16,221	16,218
2,325	2,162	1,894	1,797	1,822
1,823	1,864	1,779	1,668	1,342
6,912	6,285	5,918	5,399	5,048
1,017	1,148	1,268	889	902
435	459	441	382	363
1,228	1,123	1,158	1,032	991
906	462	499	528	581
48	79	-	-	-
1,957	1,915	2,177	2,517	4,097
901	863	382	939	2,247
999	752	797	821	896
-	-	-	-	-
18,551	17,112	16,313	15,972	18,289
3,135	1,264	1,425	249	(2,071)
1,586	1,985	1,567	5,008	356
(1,559)	(2,349)	(1,669)	(4,956)	(393)
254	16	238	325	2,009
-	-	-	-	-
45	-	41	29	65
326	(348)	177	406	2,037
$ 3,461	$ 916	$ 1,602	$ 655	$ (34)
11.4%	10.6%	8.3%	13.1%	22.1%
1,900	1,615	1,179	1,760	3,143
16,594	15,197	14,136	13,455	14,192

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
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
2011	8,927	5,370	1,034	-	152	74	15,557

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

LUMPKIN COUNTY, GEORGIA

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

Fiscal Year	Tax Year	Real Property				Personal Property			
		Residential	Commercial	Agricultural	Public Utilities	Motor Vehicles	Mobile Homes	Equipment	Other (1)
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
2012	2011	674,182,867	154,868,006	396,482,139	22,117,043	62,934,700	7,673,414	25,035,446	32,936

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 Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
Real	Personal				
$ 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%
215,892,161	113,055,175	1,014,379,215	7.852	2,535,948,038	40.00%

LUMPKIN COUNTY, GEORGIA

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

Tax Year	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Lumpkin County rates										
Unincorporated	7.852	7.318	6.947	6.893	6.912	8.346	8.052	7.277	7.308	7.483
Incorporated	8.881	7.907	7.842	7.707	7.724	9.385	9.068	8.275	8.275	8.360
Special services (reservoir)	0.253	0.220	0.191	0.178	0.187	0.226	0.411	-	-	-
Special services (planning)	0.161	0.098	0.409	-	-	-	-	-	-	-
Municipal rates										
Dahlonega	4.212	3.988	3.950	3.950	3.959	4.370	3.620	2.867	2.900	2.931
Board of Education										
Maintenance & Operations	14.259	12.800	12.800	11.840	11.860	14.190	14.190	14.250	13.250	13.250
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	22.775	20.686	20.597	19.161	19.209	23.012	22.903	21.777	20.808	20.983
Total Incorporated	27.602	24.945	24.842	23.747	23.793	28.195	27.128	25.642	24.675	24.791

Source: Georgia Department of Revenue, Property Tax Division

LUMPKIN COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

	2011			2002		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Montaluce LLC	$ 10,750,047	1	1.06 %	$		%
Forestar (USA) Real Estate Group Inc	8,910,683	2	0.88			
Dunn Bety L Trustee	6,613,287	3	0.65			
Koyo Bearings USA LLC	6,319,486	4	0.62			
Windstream Standard INC	5,544,850	5	0.55			
Georgia Power Company	5,530,461	6	0.55			
Amicalola EMC	4,540,571	7	0.45	2,338,137	6	0.30
HD Development of Maryland Inc	4,463,466	8	0.44			
Birch River Chestatee Company LLC	4,148,701	9	0.41	1,873,181	9	0.24
Dahlonega Group LLC	3,499,878	10	0.35			
Torrington Company				8,014,688	1	1.03
Standard Telephone Company				5,604,432	2	0.72
Inland Container Corp				5,100,174	3	0.66
Owens Valley Farms				3,326,552	4	0.43
Wal-Mart Stores #2513				2,605,289	5	0.34
R Ranch				2,266,496	7	0.29
Wal-Mart Stores East Inc Property Tax				2,003,501	8	0.26
Bank of America Leasing				1,847,101	10	0.24
	$ 60,321,430		5.95 %	$ 34,979,551		4.51 %

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
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	1,172	6,148	99.98
2006	2005	7,270	5,988	82.37	1,266	7,254	99.78
2007	2006	7,762	6,615	85.22	1,120	7,735	99.65
2008	2007	7,722	2,719	35.21	4,960	7,679	99.44
2009	2008	8,148	6,268	76.93	1,770	8,038	98.65
2010	2009	7,966	6,400	80.34	1,187	7,587	95.24
2011	2010	7,682	6,435	83.77	319	6,754	87.92
2012	2011	7,674	6,600	86.00	-	6,600	86.00

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			
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
2011	-	9,242	12,484	21,726	2.71	723

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	-	-	-
2011	5,695	5,695	-	-	-

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

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

LUMPKIN COUNTY, GEORGIA

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

	2011	2010	2009	2008
Debt limit	**$ 123,027**	$ 143,522	$ 146,563	$ 153,591
Total net debt applicable to limit	**-**	-	-	-
Legal debt margin	**$ 123,027**	$ 143,522	$ 146,563	$ 153,591
Total net debt applicable to the limit as a percentage of debt limit	**0%**	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	$ 1,014,379
Add back: exempt real property	215,892
Total assessed value	1,230,271
Debt limit (10% of total assessed value)	123,027
Debt applicable to limit:	
General obligation debt	5,695
Less: Amount set aside for repayment of general obligation debt	(5,695)
Total net debt applicable to limit	-
Legal debt margin	$ 123,027

2007	2006	2005	2004	2003	2002
$ 146,190	$ 106,361	$ 100,826	$ 94,332	$ 91,591	$ 88,290
-	1,500	4,654	7,004	9,242	13,635
$ 146,190	$ 104,861	$ 96,172	$ 87,328	$ 82,349	$ 74,655
0%	1%	5%	7%	10%	15%

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)
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
2011	30,031	801,577	26,692	35.0	3,879	8.8

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

Employer	2006 Employees	Rank	Percentage of Total County Employment
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 EIGHT FISCAL YEARS

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

Source: County Budget Office

Information for 2002 and 2003 is not available.

LUMPKIN COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Function										
Sheriff										
Traffic violations	**2,857**	3,458	4,072 (2)	N/A	2,992	2,111	2,169	2,245	2,175	2,991
Fire										
Number of calls answered	**3,800**	3,269	3,244	3,426	3,344	3,141	1,893	1,645	1,488	1,153
Inspections conducted	**12***	N/A	377	637	1,004 (1)	369	215	96	67	41
Highways and streets										
Street resurfacing (miles)	**10**	13	6	6	11	23	5	36	13	33
Sanitation										
Refuse collected (tons/day)	**42**	43	46	45	33	34	26	22	N/A	N/A
Recyclables collected (tons/day)	**1**	1	N/A	2	1	1	-	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 written.

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

LUMPKIN COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government										
Buildings	**13**	13	13	13	13	13	11	11	11	9
Vehicles	**5**	5	5	5	5	5	4	3	3	3
Small equipment	**25**	25	25	25	24	20	21	21	19	17
Public safety										
Buildings	**7**	7	7	7	6	5	5	5	5	5
Vehicles										
Fire/pumper trucks	**13**	13	13	13	13	13	13	12	10	10
Other Fire Dept. vehicles	**6**	6	6	6	5	5	4	3	3	3
Ambulance/rescue	**5**	4	6	5	5	4	6	6	6	5
Sheriffs vehicles	**53**	51	46	46	39	35	32	25	20	13
Other public safety vehicles	**3**	3	3	3	3	3	2	2	1	1
Equipment	**79**	78	78	69	49	41	40	38	32	31
Judicial										
Small equipment	**6**	6	6	6	6	6	15	15	15	13
Public works										
Buildings	**3**	3	3	3	3	3	2	2	2	2
Vehicles										
Road Department	**11**	10	11	11	15	20	24	24	24	24
Building Inspector	**6**	6	6	6	6	6	5	5	5	3
Other	**3**	3	3	3	3	2	2	1	1	1
Small equipment	**5**	5	5	5	1	1	-	-	-	-
Heavy equipment	**35**	34	33	35	35	35	30	29	28	26
Health and welfare										
Buildings	**3**	3	2	2	2	2	2	2	2	2
Culture and recreation										
Buildings	**5**	5	5	5	5	5	5	5	5	5
Vehicles	**4**	4	4	5	5	5	4	4	4	2
Equipment	**13**	13	13	11	10	10	10	8	7	7

Source: Various County departments

COMPLIANCE SECTION

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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 15, 2012. Our report includes reference to other auditors as well as to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Fund Type Definitions*. 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

Management of the County is responsible for establishing and maintaining effective 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 2011-1 through 2011-2, 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 15, 2012.

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 15, 2012

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, 2011. 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, 2011.

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 15, 2012

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF JUSTICE			
Direct award:			
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	2009-SB-B9-1310	$ 264
Passed through Criminal Justice Coordinating Council:			
Victim's Assistance Program (C09-8-190)	16.575	2009-VA-GX-0045	30,196
Victim's Assistance Program (C10-8-114)	16.575	2010-VA-GX-0073	40,494
Victim's Assistance Program (C10-8-218)	16.575	2010-VA-GX-0073	10,924
Victim's Assistance Program (C11-8-080)	16.575	2011-VA-GX-0010	13,740
			95,354
Violence Against Women Grant (W10-8-042)	16.588	2010-WF-AX-0068	30,073
			30,073
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-228	72,186
			72,186
Passed through Bureau of Justice Assistance:			
Bulletproof Vest Partnership	16.607	V11109093	4,172
Passed through Council of Juvenile Court Judges:			
Purchase of Services - Juvenile Offenders Program	16.523	JB-08ST-0002	5,833
Purchase of Services - Juvenile Offenders Program	16.523	JB-09ST-0004	520
			6,353
Total U.S. Department of Justice			208,402
U.S. DEPARTMENT OF HOMELAND SECURITY			
Assistance to Firefighters Grant	97.044	EMW-2007-FO-06290	10,362
Staffing for Adequate Fire and Emergency Response	97.044	EMW-2008-FF-01031	204,567
			214,929
Hazard Mitigation Grant Program	97.039	HMGP-1686-0046	6,197
Emergency Management Performance Grant	97.042	OEM10-095E02	25,000
Total U.S. Department of Homeland Security			246,126

(continued)

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grant	14.228	07p-y-093-1-3295	4,457
Community Development Block Grant	14.228	10p-y-093-1-5232	9,407
Total U.S. Department of Housing and Urban Development			13,864
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Governor's Office of Highway Safety			
Small Agency Incentive Grant	20.601	GA-2011-000-00535	9,349
Passed through Georgia Department of Transportation			
Section 5311 Rural Public Transportation	20.509	2010-007-A-S	17,310
Section 5311 Rural Public Transportation	20.509	2011-021-A-S	20,404
			37,714
Total U.S. Department of Transportation			47,063
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Chestatee-Chattahoochee Resource Conservation and Development Council			
Wildland Fire Management - Georgia's Growing Green Grant - ARRA	10.688	1G259	6,000
Total U.S. Department of Agriculture			6,000
Total Expenditures of Federal Awards			$ 521,455

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, 2011

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, 2011

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2011-1. 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, an audit adjustment in the Multiple Grant Fund totaling approximately $136,000 was required to properly report intergovernmental revenues and deferred revenues in accordance with the modified accrual basis of accounting and the County's revenue recognition policy.

Effects: Audit adjustments totaling approximately $136,000 were needed to correctly report revenues and related balance sheet accounts.

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

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2011-2. 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.
- Checks should be pre-numbered in order for the sequence to be accounted for regularly and unissued checks should be controlled and kept in a secure location.

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

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.

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

None reported.