LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2013

Prepared By:
The Lumpkin County Office of Financial Administration

INTRODUCTORY SECTION

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

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May 22, 2014

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, 2013.

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, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Lumpkin County, Georgia's financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

General Information on Lumpkin County

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

Resting in the foothills of the Appalachian Mountains, Lumpkin County is 285 square miles in area, approximately 44% of which is located within the Chattahoochee National Forest. The population of the County has grown by 31% over the past ten years with a current 2013 census population estimate of 30,918.

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

Government Structure

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

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

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

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

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

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

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

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

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

Economic Condition and Outlook

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

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

Major Initiatives & Accomplishments

During 2013, Lumpkin County received was awarded four grants for personnel, renovations and equipment totaling $158,305 and a grant from ACCG for a wellness program for employees.

Other accomplishments during the year include:

- Resurfacing approximately 25 lane miles of County roads, using a combination of Federal, State, and local money.
- Completion of ADA parking area for Elections Building.
- Completion of intersection improvement at Blackburn Road and Auraria Road.
- Striped 27 miles of County roads.
- Completion of phase 2 renovation to Administration Building.
- Completion of 3.5 of 4 phases of the Federal Highway Administration Minimum Maintained Retroreflectivity Levels requirement.

Financial Policies

The Finance Department strives to keep current with recommendations on financial policies and procedures. The policies and procedures adopted by the Lumpkin County Board of Commissioners are published in the codification of

county ordinances and distributed to all departments as needed. There was no significant impact to the current financial statements based on adopted policies or procedures.

Acknowledgements

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

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

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

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

Respectfully submitted,

Stanley J. Kelley
County Manager

C. Allison Martin
Director of Finance

OFFICIALS OF
LUMPKIN COUNTY, GEORGIA

COMMISSIONER'S OFFICE

Chris Dockery	**Chairman**
Doug Sherrill	**District 1**
Steve Shaw	**District 2**
Clarence Stowers	**District 3**
Clarence Grindle	**District 4**
Stanley J. Kelley	**County Manager**
Kathleen Walker	**County Clerk**

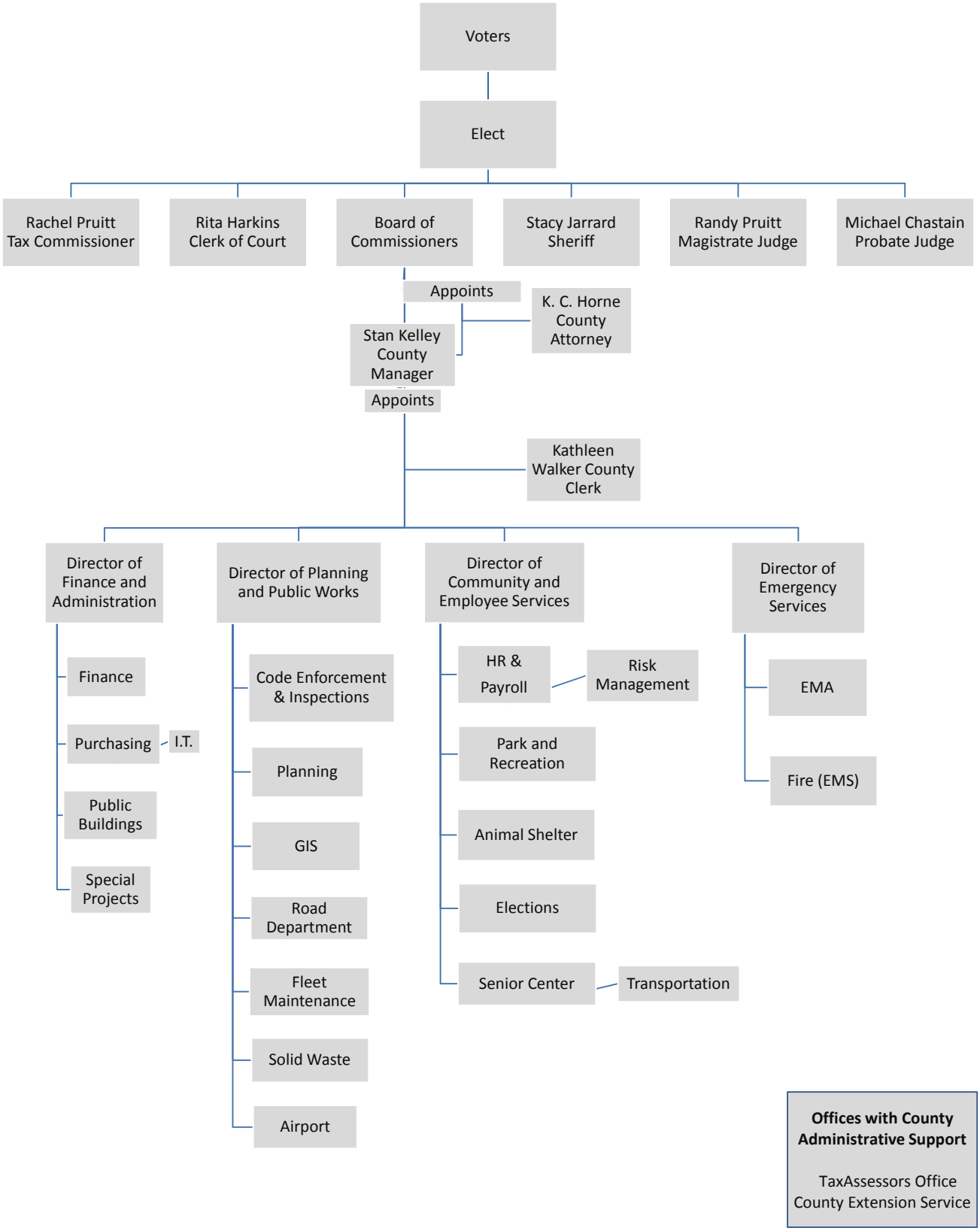
DEPARTMENT DIRECTORS

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

JUDICIAL & OTHER ELECTED OFFICIALS

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

Lumpkin County's Organizational Chart
FY - 2013



FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Lumpkin County, Georgia
Dahlonega, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Lumpkin County, Georgia** (the "County"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Lumpkin County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lumpkin County Department of Public Health or the Development Authority of Lumpkin County, which represents 28 percent, 20 percent, and 51 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lumpkin County Department of Public Health and the Development Authority of Lumpkin County, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Auditor's Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lumpkin County, Georgia as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, (on pages 5 through 14) and the budgetary comparison information and schedule of funding progress (on pages 58 through 60) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lumpkin County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-21, as well as the introductory and statistical sections, 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.

Other Information (continued)

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2014, on our consideration of Lumpkin County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 22, 2014

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, 2013. 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, 2013.

Financial Highlights

- Lumpkin County's governmental activities assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2013 by $75.1 million (*net position*). Of this amount, $7.9 million (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of December 31, 2013, the governmental funds of Lumpkin County reported combined ending fund balances of $14.2 million, a decrease of $.2 million in comparison with the prior year. Approximately 49.76% of this amount, $7.1 million, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of 2013, unassigned fund balance for the general fund was $7.2 million, or 47.3% of total general fund expenditures.
- During 2002, the voters of Lumpkin County approved a Special Purpose Local Option Sales Tax (SPLOST) to be collected and used exclusively to service the debt associated with the Public Building Authority Issue, Series 2001. At the end of 2013, the Debt Service Fund had accumulated $5.4 million toward the goal of retiring the 2001 issue.
- During 2013, 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 $3.145 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 Position ❑ Statement of Activities	❑ Balance Sheet ❑ Statement of Revenues, Expenditures and Changes in Fund Balance	❑ Statement of Net Position ❑ Statement of Revenues, Expenses and Changes in Net Position ❑ Statement of Cash Flows	❑ Statement of Fiduciary Assets and Liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting
Type of asset/ liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the County's funds do not currently contain capital assets, although they can
Type of inflow / outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All receipts and disbursements during year, regardless of when cash is received or paid

Government-wide Statements

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

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

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

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

Fund Financial Statements

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

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

The County has three kinds of funds:

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

Financial Analysis of the County as a Whole

Net position. As discussed earlier, net position may serve as a useful indicator of a government's financial position. As of December 31, 2013, the County's net position was $75.3 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 positions for 2013 and 2012.

TABLE B

LUMPKIN COUNTY, GEORGIA'S NET POSITION
December 31, 2013 and 2012
($ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2013	2012	2013	2012	2013	2012
CURRENT AND OTHER ASSETS*	$24,917	$24,423	$5	$8	$24,922	$24,431
CAPITAL ASSETS (net of depreciation)	79,105	79,263	663	694	79,768	79,957
TOTAL ASSETS	104,022	103,686	668	702	104,690	104,388
LONG-TERM LIABILITIES	19,552	20,570	440	462	19,992	21,032
OTHER LIABILITIES*	9,372	9,466	7	3	9,369	9,469
TOTAL LIABILITIES	28,924	30,036	447	465	29,361	30,501
NET POSITION:						
NET INVESTMENT IN CAPITAL ASSETS	60,580	59,032	663	694	61,243	59,726
RESTRICTED FOR DEBT SERVICE	5,458	6,853	0	0	5,458	6,853
RESTRICTED FOR CAPITAL PROJECTS	825	432	0	0	825	432
RESTRICTED FOR PUBLIC SAFETY ACTIVITIES	148	178	0	0	148	178
RESTRICTED FOR LAW LIBRARY OPERATIONS	77	114	0	0	77	114
RESTRICTED FOR JUDICIAL ACTIVITIES	120	180	0	0	120	180
RESTRICTED FOR TOURISM	1	8	0	0	1	8
UNRESTRICTED	7,889	6,853	(442)	(457)	7,447	6,396
TOTAL NET POSITION	$75,098	$73,650	$221	$237	$75,319	$73,887

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

A significant portion (80.7%) of the net position represents the *net investment in capital assets*. This includes land, buildings, machinery and equipment, and infrastructure assets, offset with associated long-term debt liabilities. Capital assets are restricted for the purpose of providing services to the citizens of Lumpkin County; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Other restricted net position components represent resources that are subject to external restrictions on how they may be used and total 8.83% of the total. Included in this category are unspent SPLOST proceeds for Debt Service Reserves (7.25% of the total), funds restricted for capital projects (1.1% of the total), public safety activities (0.22% of the total), law library activities (0.1% of the total), and judicial activities (0.16% of the total).

The remaining 10.47% of net position represent the unrestricted portion available for the County's ongoing obligations to its citizens.

Changes in Revenues and Expenses. Table C presents the County's 2013 and 2012 revenues and expenses for Governmental and Business-type activities as they are reported in the Entity Wide Statements.

TABLE C

LUMPKIN COUNTY, GEORGIA'S CHANGES IN NET POSITION
Year Ended December 31, 2013 and 2012
($ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2013	2012	2013	2012	2013	2012
REVENUES:						
PROGRAM REVENUES:						
CHARGES FOR SERVICES	$4,186	$3,861	$45	$115	$4,231	$3,976
OPERATING GRANTS & CONTRIBUTIONS	978	1,287	0	0	978	1,287
CAPITAL GRANTS & CONTRIBUTIONS	748	583	0	13	748	596
GENERAL REVENUES:						
PROPERTY TAXES	9,553	8,818			9,553	8,818
SALES TAXES	5,191	5,471			5,191	5,471
OTHER TAXES	1,369	1,292			1,369	1,292
UNRESTRICTED INVESTMENT EARNINGS	161	319			161	319
TOTAL REVENUES	22,186	21,631	45	128	22,231	21,759
EXPENSES:						
GENERAL GOVERNMENT	3,964	3,714			3,964	3,714
PUBLIC SAFETY	9,151	9,235			9,151	9,235
JUDICIAL SYSTEM	2,119	2,375			2,119	2,375
PUBLIC WORKS	2,688	2,472			2,688	2,472
HEALTH & WELFARE	628	589			628	589
CULTURE & RECREATION	1,235	955			1,235	955
HOUSING & DEVELOPMENT	432	426			432	426
INTEREST	473	863			473	863
SOLID WASTE	0	0	109	134	109	134
TOTAL EXPENSES	20,690	20,629	109	134	20,799	20,763
INCREASE IN NET POSITION BEFORE TRANSFERS	1,496	1,002	(64)	(6)	1,432	996
TRANSFERS	(48)	(26)	48	26	(0)	(0)
INCREASE (DECREASE) IN NET POSITION	1,448	976	(16)	20	1,432	996
NET POSITION, BEGINNING OF YEAR, RESTATED	73,650	72,674	237	217	73,887	72,891
NET POSITION, END OF YEAR	$75,098	$73,650	$221	$237	$75,319	$73,887

Governmental Activities: Governmental activities accounted for $1.448 million of the excess in the County's net revenues over expenses for 2013 primarily due to the collection of back property taxes, interest and penalties.

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

Financial Analysis of the County's Funds

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

At the end of 2013, Lumpkin County Governmental Funds reported a combined fund balance of $14.2 million. This amount was down $.2 million from 2012. Of the total combined fund balance, approximately 49.8% consists of *unassigned fund balance*, the portion of fund balance, which serves as a measure of current available financial resources.

The *restricted fund balance* represented resources not available for spending or those on which legal restrictions have been placed. The County's restricted fund balance makes up 46.6% 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 $7.6 million. This was an increase above the previous year. Of the $7.6 million, 93.9% is unassigned while the remaining 6.1% is non-spendable.

Debt Service. The Debt Service Fund accounts for the 2002 Special Purpose Local Option Sales Tax (SPLOST) money, including earned interest, which is reserved for retiring the Lumpkin County Public Building Authority Issue, Series 2001. This issue had an original principal balance of $15.75 million and at December 31, 2013 had an outstanding principal balance of $3.145 million. The fund balance of the Debt Service Fund is $5.4 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, 2013 the fund balance of this fund was $825 thousand.

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

Enterprise Fund. The Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises - where the costs (expenses, including depreciation) of providing goods or services to the general public are being financed or recovered primarily through user charges on a continuing basis. The Solid Waste Fund is the County's single enterprise fund. Total net position of the enterprise fund at the end of 2013 was $220 thousand, representing a decrease of $17 thousand due largely to decreased recycling revenues.

General Fund Budgetary Highlights

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

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

Even with these adjustments, actual expenditures were $535 thousand below final budget amounts.

Capital Assets and Debt Administration

Capital Assets

At the end of 2013, the County had acquired $80 million (net of accumulated depreciation) in a broad range of capital assets for its governmental and business-type activities including land, buildings, park facilities, roads, bridges, heavy machinery, vehicles and equipment, and infrastructure.

- All infrastructure assets acquired to date are included in capital assets in accordance with GASB 34 requirements.
- The was no increase in capital assets, net of accumulated depreciation, for the current fiscal year. The percentage increase in capital assets was 0.00%.
- 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 $105 million in 2013. The County currently has $3.145 million subject to the limitation.

At December 31, 2013, Lumpkin County had the following outstanding long-term debt:

- $19.2 million in bonds and notes payable.
- $322 thousand in compensated absences.
- $23 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 2013, with minimal growth in the business sector. New housing starts were up in the County during 2013, 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 2014 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 2014 as the value of the digest continues to decline. The budget increased by $963 thousand, largely due to the County reassuming operations of Parks and Recreation, the County has also been able to maintain the same level of service even though fuel costs have risen. The County has also implemented a number of cost saving measures and is currently looking at joint ventures within the community to ease the burden placed on the operating budget.

Contacting the County's Financial Management

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 15,384,554	$ -	$ 15,384,554
Investments	5,311,403	-	5,311,403
Receivables (net of allowance for uncollectibles)	3,020,327	4,291	3,024,618
Prepaid items	401,807	441	402,248
Inventories	113,943	-	113,943
Due from component units	3,432	-	3,432
Capital assets, nondepreciable	35,975,393	192,103	36,167,496
Capital assets, depreciable, net of accumulated depreciation	43,129,255	471,149	43,600,404
Total assets	103,340,114	667,984	104,008,098
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	681,895	-	681,895
Total deferred outflows of resources	681,895	-	681,895
LIABILITIES			
Accounts payable	629,477	7,436	636,913
Accrued liabilities	560,392	-	560,392
Customer deposits	-	-	-
Due to primary government	-	-	-
Noncurrent liabilities due within one year			
Compensated absences	322,178	-	322,178
Landfill closure and postclosure	-	22,000	22,000
Notes payable	1,534,749	-	1,534,749
Bonds payable	600,000	-	600,000
Noncurrent liabilities due in more than one year			
Net pension obligation	23,342	-	23,342
Compensated absences payable	-	-	-
Landfill closure and postclosure	-	418,000	418,000
Notes payable	8,151,141	-	8,151,141
Bonds payable	8,920,398	-	8,920,398
Total liabilities	20,741,677	447,436	21,189,113
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues - property taxes	7,789,282	-	7,789,282
Unearned revenues - intergovernmental	393,177	-	393,177
Total deferred inflows of resources	8,182,459	-	8,182,459
NET POSITION			
Net investment in capital assets	60,580,255	663,252	61,243,507
Restricted for:			
Debt service	5,457,718	-	5,457,718
Capital projects	825,446	-	825,446
Public safety activities	147,947	-	147,947
Law library operations	77,146	-	77,146
Judicial activities	119,769	-	119,769
Tourism	247	-	247
Unrestricted	7,889,345	(442,704)	7,446,641
Total net position	$ 75,097,873	$ 220,548	$ 75,318,421

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

Component Units			
Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
$ 280,837	$ 710,927	$ 327,182	$ 239,515
-	-	1,095,218	-
79,860	-	9,675	115,243
-	6,567	-	6,932
-	-	-	20,550
-	-	-	-
-	203,915	-	40,413
4,995	1,110,361	-	4,364,042
365,692	2,031,770	1,432,075	4,786,695
-	-	-	88,616
-	-	-	88,616
3,245	3,645	-	42,792
-	6,353	-	15,063
-	-	-	90,975
-	36	-	3,396
38,000	-	-	3,293
-	-	-	-
-	56,382	-	22,826
-	-	-	258,212
-	-	-	-
14,382	-	-	-
-	-	-	-
-	1,333,753	-	285,660
-	-	-	1,705,968
55,627	1,400,169	-	2,428,185
-	-	-	-
-	-	-	-
4,995	(75,859)	-	2,220,405
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
305,070	707,460	1,432,075	226,721
$ 310,065	$ 631,601	$ 1,432,075	$ 2,447,126

LUMPKIN COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

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	$ 3,963,978	$ 777,959	$ 192,415	$ 44,072
Judicial	2,119,443	1,001,134	333,363	-
Public safety	9,151,281	2,012,680	343,128	81,521
Public works	2,687,544	690	-	622,124
Health and welfare	628,404	39,828	108,750	-
Culture and recreation	1,234,785	231,574	-	-
Housing and development	431,858	122,050	-	-
Interest on long-term debt	472,919	-	-	-
Total governmental activities	20,690,212	4,185,915	977,656	747,717
Business-type activities:				
Solid waste management	109,181	44,522	-	-
Total business-type activities	109,181	44,522	-	-
Total primary government	$ 20,799,393	$ 4,230,437	$ 977,656	$ 747,717
Component units:				
Health Department	$ 731,434	$ 259,614	$ 511,745	$ -
Development Authority	238,994	133,400	-	110,768
Hospital Authority	34,541	-	-	-
Water and Sewerage Authority	1,033,021	1,038,823	-	22,576
Total component units	$ 2,037,990	$ 1,431,837	$ 511,745	$ 133,344
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Other taxes				
Unrestricted net investment earnings (loss)				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position							
Primary Government			Component Units				
Governmental Activities	Business-type Activities	Total	Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
$ (2,949,532)	$ -	$ (2,949,532)	$ -	$ -	$ -	$ -
(784,946)	-	(784,946)	-	-	-	-
(6,713,952)	-	(6,713,952)	-	-	-	-
(2,064,730)	-	(2,064,730)	-	-	-	-
(479,826)	-	(479,826)	-	-	-	-
(1,003,211)	-	(1,003,211)	-	-	-	-
(309,808)	-	(309,808)	-	-	-	-
(472,919)	-	(472,919)	-	-	-	-
(14,778,924)	-	(14,778,924)	-	-	-	-
-	(64,659)	(64,659)	-	-	-	-
-	(64,659)	(64,659)	-	-	-	-
(14,778,924)	(64,659)	(14,843,583)	-	-	-	-
-	-	-	39,925	-	-	-
-	-	-	-	5,174	-	-
-	-	-	-	-	(34,541)	-
-	-	-	-	-	-	28,378
-	-	-	39,925	5,174	(34,541)	28,378
9,553,082	-	9,553,082	-	-	-	-
5,190,982	-	5,190,982	-	-	-	-
1,148,230	-	1,148,230	-	-	-	-
221,694	-	221,694	-	-	-	-
160,877	-	160,877	-	812	(65,406)	13
-	-	-	-	527	-	-
(48,165)	48,165	-	-	-	-	-
16,226,700	48,165	16,274,865	-	1,339	(65,406)	13
1,447,776	(16,494)	1,431,282	39,925	6,513	(99,947)	28,391
73,650,097	237,042	73,887,139	270,140	625,088	1,532,022	2,418,735
$ 75,097,873	$ 220,548	$ 75,318,421	$ 310,065	$ 631,601	$ 1,432,075	$ 2,447,126

LUMPKIN COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

ASSETS	General	Debt Service	SPLOST	Nonmajor Governmental Funds	Total
Cash and cash equivalents	$ 13,717,111	$ 279,857	$ 601,580	$ 786,006	$ 15,384,554
Investments	-	5,311,403	-	-	5,311,403
Receivables (net of allowance for uncollectibles)	2,391,659	47,145	291,299	290,224	3,020,327
Inventories	113,943	-	-	-	113,943
Due from other funds	290,756	-	-	64,182	354,938
Due from component units	3,432	-	-	-	3,432
Prepaid items	355,030	-	-	46,777	401,807
Total assets	$ 16,871,931	$ 5,638,405	$ 892,879	$ 1,187,189	$ 24,590,404
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 508,183	$ -	$ 45,296	$ 75,998	$ 629,477
Other accrued liabilities	438,714	-	-	-	438,714
Due to other funds	64,182	-	22,137	268,619	354,938
Total liabilities	1,011,079	-	67,433	344,617	1,423,129
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	681,969	15,383	-	8,684	706,036
Unearned revenue - property taxes	7,493,667	180,687	-	114,928	7,789,282
Unavailable revenue - other	38,412	1,491	-	50,116	90,019
Unearned revenue - intergovernmental	-	-	-	393,177	393,177
Total deferred inflows of resources	8,214,048	197,561	-	566,905	8,978,514
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	355,030	-	-	46,777	401,807
Inventories	113,943	-	-	-	113,943
Restricted for:					
Debt service	-	5,440,844	-	-	5,440,844
Capital projects	-	-	825,446	-	825,446
Public safety activities	-	-	-	147,947	147,947
Law library operations	-	-	-	77,146	77,146
Judicial activities	-	-	-	119,769	119,769
Tourism	-	-	-	247	247
Unassigned	7,177,831	-	-	(116,219)	7,061,612
Total fund balances	7,646,804	5,440,844	825,446	275,667	14,188,761
Total liabilities, deferred inflows of resources and fund balances	$ 16,871,931	$ 5,638,405	$ 892,879	$ 1,187,189	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	79,104,648
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	796,055
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(18,968,249)
Net pension obligation that is not due and payable in the current period and, therefore, not reported in governmental funds.	(23,342)
Net position of governmental activities	$ 75,097,873

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, 2013

	General	Debt Service	SPLOST	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	$ 12,762,044	$ 209,132	$ 2,891,927	$ 260,279	$ 16,123,382
Licenses and permits	46,006	-	-	117,990	163,996
Fines and forfeitures	454,487	-	-	73,617	528,104
Charges for services	2,730,978	-	-	560,928	3,291,906
Interest income	26,029	134,254	1,402	594	162,279
Intergovernmental	914,440	-	44,072	533,756	1,492,268
Contributions and donations	26,715	-	-	8,443	35,158
Other	188,220	-	-	234	188,454
Total revenues	17,148,919	343,386	2,937,401	1,555,841	21,985,547
Expenditures:					
Current:					
General government	3,179,500	-	494	1,149	3,181,143
Judicial	1,508,001	-	-	609,308	2,117,309
Public safety	7,492,676	-	-	1,180,482	8,673,158
Public works	1,173,097	-	88,446	76,013	1,337,556
Health and welfare	595,010	-	-	-	595,010
Culture and recreation	1,032,815	-	-	-	1,032,815
Housing and development	79,128	-	-	338,929	418,057
Intergovernmental	-	-	639,838	-	639,838
Capital outlay	-	-	1,533,669	77,685	1,611,354
Debt service:					
Principal	47,365	1,393,554	355,000	-	1,795,919
Interest	71,675	346,390	105,667	-	523,732
Bond issuance costs	-	-	236,744	-	236,744
Total expenditures	15,179,267	1,739,944	2,959,858	2,283,566	22,162,635
Excess (deficiency) of revenues over expenditures	1,969,652	(1,396,558)	(22,457)	(727,725)	(177,088)
Other financing sources (uses):					
Transfers in	7,996	-	381,063	783,751	1,172,810
Transfers out	(1,177,479)	-	-	(43,496)	(1,220,975)
Revenue bonds issued	-	-	9,835,000	-	9,835,000
Premium on revenue bonds issued	-	-	43,194	-	43,194
Refunding payment to escrow agent	-	-	(9,834,820)	-	(9,834,820)
Total other financing sources (uses)	(1,169,483)	-	424,437	740,255	(4,791)
Net change in fund balances	800,169	(1,396,558)	401,980	12,530	(181,879)
Fund balances, beginning of year	6,846,635	6,837,402	423,466	263,137	14,370,640
Fund balances, end of year	$ 7,646,804	$ 5,440,844	$ 825,446	$ 275,667	$ 14,188,761

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, 2013

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(181,879)
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.		(357,734)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		199,378
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(8,484)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		1,752,545
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.		43,950
Change in net position - governmental activities	$	1,447,776

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2013

	Solid Waste Management Fund
ASSETS	
Current assets:	
Receivables	$ 4,291
Prepaid items	441
Total current assets	4,732
Noncurrent assets:	
Capital assets:	
Capital assets, not being depreciated	192,103
Capital assets, being depreciated	1,020,097
Less accumulated depreciation	(548,948)
Total capital assets, net of accumulated depreciation	663,252
Total assets	667,984
LIABILITIES	
Current liabilities:	
Accounts payable	7,436
Landfill postclosure, current	22,000
Total current liabilities	29,436
Long-term liabilities:	
Landfill postclosure	418,000
Total long-term liabilities	418,000
Total liabilities	447,436
NET POSITION	
Investment in capital assets	663,252
Unrestricted	(442,704)
Total net position	$ 220,548

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Solid Waste Management Fund
OPERATING REVENUES	
Charges for services	$ 42,021
Other	2,501
Total operating revenues	44,522
OPERATING EXPENSES	
Salaries and benefits	32,835
Supplies and maintenance	45,539
Depreciation expense	30,807
Total operating expenses	109,181
Operating loss before transfers	(64,659)
Transfers in	48,165
Change in net position	(16,494)
NET POSITION, beginning of year	237,042
NET POSITION, end of year	$ 220,548

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, 2013

	Solid Waste Management Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 49,440
Payments to suppliers and service providers	(62,769)
Payments to employees	(34,836)
Net cash used in operating activities	(48,165)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer in from other funds	48,165
Net cash provided by noncapital financing activities	48,165
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	$ (64,659)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	30,807
Decrease in receivables	4,918
Increase in prepaids	(28)
Increase in accounts payable	4,798
Decrease in due to other funds	(1,203)
Decrease in compensated absences	(798)
Decrease in landfill postclosure care costs	(22,000)
Net cash used in operating activities	$ (48,165)

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2013

	Agency Funds
ASSETS	
Cash	$ 854,354
Taxes receivable	2,772,850
Accounts receivable	20,120
Total assets	$ 3,647,324
LIABILITIES	
Due to others	$ 874,474
Uncollected taxes	2,772,850
Total liabilities	$ 3,647,324

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, 60 Mechanicsville Road, Dahlonega, GA 30533.

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

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

The Lumpkin County Water and Sewerage Authority (the "Water Authority") is governed by a seven member board appointed by the Board of Commissioners. The County has the ability to impose its will upon the Water Authority in addition to its appointment of a voting majority of the Water Authority's governing body. The Water Authority is reported as a proprietary type component unit.

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In accounting and reporting for its proprietary operations, the County applies all Governmental Accounting Standards Board (GASB) pronouncements.

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

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

D. Deposits and Investments

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

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

E. Receivables and Payables

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories and Prepaid Items

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

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

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. Deferred Outflows / Inflows of Resources

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

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports deferred inflows of resources in both its governmental funds balance sheet and statement of net position.

Unavailable revenues, which arise only under a modified accrual basis of accounting, qualify for reporting in this category. The governmental funds balance sheet will report unavailable revenues from property taxes and other sources as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available in accordance with the County's revenue recognition policy.

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

I. Compensated Absences

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-Term Obligations

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

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

K. Fund Equity

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

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

Fund balances are classified as follows:

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

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

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

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

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

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

L. Use of Estimates

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

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

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $18,968,249 difference are as follows:

Notes payable	$	(9,685,890)
Revenue bonds payable		(9,480,000)
Premium on issuance of revenue bonds		(40,398)
Deferred loss on refunding		681,895
Accrued interest payable		(121,678)
Compensated absences		(322,178)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(18,968,249)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $357,734 difference are as follows:

Capital outlay	$	1,856,996
Depreciation expense		(2,214,730)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(357,734)

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

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

Another element of the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position." The details of this $199,378 difference are as follows:

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold.	$	(9,712)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		209,090
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	199,378

Another element of the reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this $1,752,545 difference are as follows:

Proceeds from issuance of revenue bonds	$	(9,835,000)
Original issue premium		(43,194)
Refunding payment to escrow agent		9,834,820
Principal repayments of revenue bonds		355,000
Principal repayments of notes payable		1,440,919
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	1,752,545

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

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

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $43,950 difference are as follows:

Compensated absences	$	(10,923)
Net pension obligation		4,060
Amortization of original issue premium		2,796
Amortization of deferred charges on refunding		(48,528)
Accrued interest		96,545
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	43,950

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

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

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

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

B. Deficit Fund Equity

The following funds had deficit fund balances at December 31, 2013. The fund deficits will be reduced through availability of revenues, lower expenditures and General Fund appropriations, as needed.

Fund	Deficit
Drug Court Fund	$ 6,380
Multiple Grant Fund	65,363
Planning Fund	43,082
Capital Projects Fund	743

C. Excess Expenditures Over Appropriations

For the year ended December 31, 2013 expenditures exceeded the budget in the funds and General Fund departments as follows:

Fund/Department	Excess
General Fund - Data Processing	$ 33,136
General Fund - Superior Court	29,442
General Fund - Police	9,997
General Fund - Fire	143,397
General Fund - Coroner	11,177
General Fund - Health	295
Law Library Fund	9,670
Confiscated Assets Fund	961
Hotel / Motel Tax Fund	29,180

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

NOTE 4. DEPOSITS AND INVESTMENTS

A. Primary Government

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

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities of the State of Georgia. As of December 31, 2013, the County's deposits were insured and/or collateralized as defined by state statutes and GASB pronouncements.

At December 31, 2013, the County's funds included the following investments:

Investment	Maturity	Rating	Fair Value
Certificate of deposit	January 15, 2014	Not rated	$ 249,984
Certificate of deposit	January 16, 2014	Not rated	249,998
Certificate of deposit	January 17, 2014	Not rated	249,989
Certificate of deposit	January 17, 2014	Not rated	250,014
Certificate of deposit	January 21, 2014	Not rated	249,974
Certificate of deposit	January 21, 2014	Not rated	249,980
Federal Home Loan Mtg Corp.	December 29, 2014	AAA / AA+	552,373
Federal Home Loan Banks	December 30, 2015	AAA / AA+	581,967
Federal Farm Credit Banks	December 7, 2016	AAA / AA+	2,677,124
			$ 5,311,403

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

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

B. Component Unit – Health Department

Custodial credit risk. As of June 30, 2013, the Health Department's cash balances included $50,901 of deposits at a financial institution that were not insured or collateralized as required by GASB pronouncements and state statutes.

C. Component Unit – Development Authority

Custodial credit risk. As of December 31, 2013, the Development Authority had no uninsured deposits.

D. Component Unit – Hospital Authority

As of December 31, 2013, the Hospital Authority had the following investments:

Investment	Maturity	Rating	Fair Value
GA Municipal Association COP	December 1, 2023	A2 / AA	$ 101,278
City of Dahlonega Revenue Bonds	July 1, 2030	A3 / AA	199,586
City of Americus Bonds	June 1, 2030	A2 / AA	118,933
Federal Farm Credit Bank	September 16, 2025	AAA / AA+	190,832
Federal Home Loan Mortgage Corp.	October 15, 2025	AAA / AA+	190,312
Federal Home Loan Mortgage Corp.	July 15, 2030	AAA / AA+	93,433
Tennessee Valley Authority	July 15, 2033	AAA / AA+	100,829
Federal Farm Credit Bank	June 8, 2037	AAA / AA+	100,015
	Total		$ 1,095,218

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, 2013, 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, 2013, 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, 2013, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Debt Service Fund	SPLOST Fund	Solid Waste Management Fund	Nonmajor Governmental Funds
Receivables:					
Taxes	$ 1,734,515	$ 41,385	$ 247,227	$ 4,291	$ 36,263
Other governments	240,145	-	44,072	-	143,123
Accounts	1,704,374	5,760	-	-	110,838
Gross receivables	3,679,034	47,145	291,299	4,291	290,224
Less allowance for uncollectibles	(1,287,375)	-	-	-	-
Net receivables	$ 2,391,659	$ 47,145	$ 291,299	$ 4,291	$ 290,224

Property taxes for the 2013 fiscal year were levied on September 15, 2012, with property values assessed as of January 1, 2012. Bills are payable on or before November 15, 2012, 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 2013 are to fund operations for the County's fiscal year beginning January 1, 2014. Amounts recorded as a receivable as well as amounts collected as of December 31, 2013 related to these taxes are recorded as deferred inflows of resources – unearned property taxes in the fund financial statements and in the government-wide statement of net position.

B. Component Unit – Water Authority

Receivables of the Water Authority, including the applicable allowances for uncollectible accounts, consisted of the following at December 31, 2013:

Receivables:	
Accounts	$ 135,371
Less allowance for uncollectibles	(20,128)
Net total receivables	$ 115,243

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 20,065,752	$ 90,195	$ -	$ -	$ 20,155,947
Infrastructure land improvements	15,394,418	77,814	-	-	15,472,232
Construction in progress	448,504	-	-	(101,290)	347,214
Total capital assets, not being depreciated	35,908,674	168,009	-	(101,290)	35,975,393
Capital assets, being depreciated:					
Buildings and improvements	40,010,487	261,356	-	101,290	40,373,133
Machinery and equipment	4,215,856	10,000	-	-	4,225,856
Vehicles	3,870,800	600,332	(11,900)	-	4,459,232
Infrastructure	18,604,296	1,026,389	(120,769)	-	19,509,916
Total capital assets, being depreciated	66,701,439	1,898,077	(132,669)	101,290	68,568,137
Less accumulated depreciation for:					
Buildings and improvements	6,228,416	868,073	-	-	7,096,489
Machinery and equipment	2,737,244	188,877	-	-	2,926,121
Vehicles	2,467,757	265,275	(10,710)	-	2,722,322
Infrastructure	11,913,692	892,505	(112,247)	-	12,693,950
Total accumulated depreciation	23,347,109	2,214,730	(122,957)	-	25,438,882
Total capital assets, being depreciated, net	43,354,330	(316,653)	(9,712)	101,290	43,129,255
Governmental activities capital assets, net	$ 79,263,004	$ (148,644)	$ (9,712)	$ -	$ 79,104,648

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	134,506	-	-	134,506
Vehicles	52,000	-	-	52,000
Total capital assets, being depreciated	1,020,097	-	-	1,020,097
Less accumulated depreciation for:				
Land improvements	271,612	11,379	-	282,991
Buildings and improvements	117,682	12,757	-	130,439
Machinery and equipment	82,047	6,671	-	88,718
Vehicles	46,800	-	-	46,800
Total accumulated depreciation	518,141	30,807	-	548,948
Total capital assets, being depreciated, net	501,956	(30,807)	-	471,149
Business-type activities capital assets, net	$ 694,059	$ (30,807)	$ -	$ 663,252

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	$ 538,672
Public safety	489,851
Public works	948,490
Health and welfare	33,014
Culture and recreation	199,025
Housing and development	5,678
Total depreciation expense - governmental activities	$ 2,214,730

B. Discretely Presented Component Unit – Development Authority

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 93,915	$ 110,000	$ -	$ 203,915
Total	93,915	110,000	-	203,915
Capital assets, being depreciated:				
Building	1,377,227	-	-	1,377,227
Machinery and equipment	15,972	-	-	15,972
Total	1,393,199	-	-	1,393,199
Less accumulated depreciation for:				
Building	(250,075)	(28,107)	-	(278,182)
Machinery and equipment	(1,311)	(3,345)	-	(4,656)
Total	(251,386)	(31,452)	-	(282,838)
Total capital assets, being depreciated, net	1,141,813	(31,452)	-	1,110,361
Total capital assets, net	$ 1,235,728	$ 78,548	$ -	$ 1,314,276

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Water Authority

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases and Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	$ 17,837	$ -	$ -	$ 17,837
Construction in progress	-	22,576	-	22,576
Total	17,837	22,576	-	40,413
Capital assets, being depreciated:				
Infrastructure	6,131,089	-	-	6,131,089
Machinery and equipment	47,774	45,008	-	92,782
Vehicles	48,489	-	-	48,489
Total	6,227,352	45,008	-	6,272,360
Less accumulated depreciation for:				
Infrastructure	(1,658,478)	(180,602)	-	(1,839,080)
Machinery and equipment	(29,660)	(10,741)	-	(40,401)
Vehicles	(23,466)	(5,371)	-	(28,837)
Total	(1,711,604)	(196,714)	-	(1,908,318)
Total capital assets, being depreciated, net	4,515,748	(151,706)	-	4,364,042
Total capital assets, net	$ 4,533,585	$ (129,130)	$ -	$ 4,404,455

D. Discretely Presented Component Unit – Department of Public Health

Capital asset activity for the year ended June 30, 2013 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	(6,764)	(714)	-	(7,478)
Total accumulated depreciation	(6,764)	(714)	-	(7,478)
Total capital assets, net	$ 5,709	$ (714)	$ -	$ 4,995

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2013, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Nonmajor governmental funds	$ 268,619
General Fund	SPLOST Fund	22,137
Nonmajor governmental funds	General Fund	64,182

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, 2013 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmental funds	$ 7,996
Solid Waste Fund	General Fund	48,165
Nonmajor governmental funds	General Fund	748,251
Nonmajor governmental funds	Nonmajor governmental funds	35,500
SPLOST Fund	General Fund	381,063

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	$ 36
Lumpkin County General Fund	Water & Sewerage Authority	3,396

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Certificates of participation	$ 9,170,000	$ -	$ (9,170,000)	$ -	$ -
Less: Discount	(65,603)	-	65,603	-	-
Total certificates of participation	9,104,397	-	(9,104,397)	-	-
Revenue bonds	-	9,835,000	(355,000)	9,480,000	600,000
Plus: Premium	-	43,194	(2,796)	40,398	-
Total revenue bonds	-	9,878,194	(357,796)	9,520,398	600,000
Notes payable	11,126,809	-	(1,440,919)	9,685,890	1,534,749
Net pension obligation	27,402	257,565	(261,625)	23,342	-
Compensated absences	311,255	324,553	(313,630)	322,178	322,178
Governmental activities long-term liabilities	$ 20,569,863	$ 10,460,312	$ (11,478,367)	$ 19,551,808	$ 2,456,927
Business-type Activities:					
Landfill postclosure costs	$ 462,000	$ -	$ (22,000)	$ 440,000	$ 22,000
Compensated absences	798	1,392	(2,190)	-	-
Business-type activities long-term liabilities	$ 462,798	$ 1,392	$ (24,190)	$ 440,000	$ 22,000

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
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	$ 3,145,000	$ 266,504	$ 3,411,504

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, 2013, was $6,540,890 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
2014	$ 129,749	$ 194,452	$ 324,201
2015	133,696	190,505	324,201
2016	137,762	186,439	324,201
2017	141,952	182,249	324,201
2018	146,270	177,931	324,201
2019-2023	800,852	820,155	1,621,007
2024-2028	930,284	690,723	1,621,007
2029-2033	1,080,633	540,374	1,621,007
2034-2038	1,255,281	365,726	1,621,007
2039-2043	1,458,156	162,851	1,621,007
2044-2045	326,255	7,308	333,563
Total	$ 6,540,890	$ 3,518,713	$ 10,059,603

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue Bonds. Previously, the Lumpkin County Public Building Authority, a blended component unit of the County, issued Certificates of Participation, Series 2008, the proceeds of which were used to finance the construction of a judicial facility. In May 2013, the County opted to complete its purchase of the project from the Association County Commissioners of Georgia by issuing the Lumpkin County Public Building Authority Revenue Bonds, Series 2013 which refunded the previously outstanding certificates of participation. The proceeds from the bonds, together with certain other moneys, were deposited into an escrow fund which will provide sufficient money to pay, when due, the principal and interest on the certificates up to and including November 1, 2014 when the certificates will be fully redeemed. The revenue bonds bear interest at rates ranging from 1.25 – 2.00% and payments are made semiannually on May 1 and November 1 beginning in 2013 and concluding when the bonds are retired on November 1, 2027.

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

Year ending December 31,	Principal	Interest	Total
2014	$ 600,000	$ 187,978	$ 787,978
2015	610,000	175,978	785,978
2016	625,000	163,778	788,778
2017	635,000	151,278	786,278
2018	645,000	138,578	783,578
2019-2023	3,400,000	530,033	3,930,033
2024-2027	2,965,000	179,305	3,144,305
Total	$ 9,480,000	$ 1,526,928	$ 11,006,928

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, 2013, the amount outstanding related to these bonds is $554,233. 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.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Landfill post-closure costs. Effective June 17, 2003, the Lumpkin County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of December 31, 2013, the County has 20 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately $440,000 over the 20 year period. These costs are based on what it would cost to perform all post-closure care in 2013, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

B. Discretely Presented Component Unit – Development Authority

Debt activity for the year ended December 31, 2013 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	$ 1,418,479	$ 1,403,614	$ (1,431,958)	$ 1,390,135	$ 56,382

Note Payable. The Authority issued a note payable on January 22, 2004 with a financial institution in order to finance the purchase of property. The note is secured by the real estate and lease receipts and will be repaid upon the sale of the property. Because the Authority has not sold the property, the note has been refinanced several times. On August 27, 2013, the Authority refinanced the note payable with a different financial institution. The note is secured by the real estate and lease receipts and will be repaid over 240 months. The balance outstanding as of December 31, 2013 is $1,390,135. Principal and interest are paid monthly with a fixed interest rate of 2.25%. The annual debt service requirements to maturity for the Authority's note payable are as follows:

Year ending December 31,	Principal	Interest	Total
2014	$ 56,382	$ 31,124	$ 87,506
2015	57,682	29,824	87,506
2016	58,931	28,575	87,506
2017	60,370	27,136	87,506
2018	61,762	25,744	87,506
2019-2023	330,764	106,768	437,532
2024-2028	370,676	66,857	437,533
2029-2033	393,568	22,087	415,655
Total	$ 1,390,135	$ 338,115	$ 1,728,250

NOTE 8. LONG-TERM DEBT (CONTINUED)

C. Discretely Presented Component Unit – Water Authority

Long-term debt activity for the year ended December 31, 2013 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	$ 2,290,000	$ 2,137,000	$ (2,462,820)	$ 1,964,180	$ 258,212
Notes payable	280,348	47,580	(19,442)	308,486	22,826
Claims and judgments	5,000	-	(5,000)	-	-
Compensated absences	4,711	10,108	(11,526)	3,293	3,293
Total long-term liabilities	$ 2,580,059	$ 2,194,688	$ (2,498,788)	$ 2,275,959	$ 284,331

Bonds Payable. On May 1, 2013, the Authority issued the Lumpkin County Water and Sewerage Authority Revenue Refunding Bond, Series 2013. The bond was issued for the purpose of refunding and paying off the outstanding principal amount, premium and accrued interest on the Lumpkin County Water and Sewerage Authority Water Revenue Bond, Series 2010. The Series 2013 bonds bear interest at 1.910% and is payable in monthly installments of $24,456 which includes principal and interest. As a result of this transaction, the Authority reports a deferred charge on refunding which is reported as a deferred outflow of resources. This item is being recognized as an expense (amortized) over the life of the bonds and has a balance of $88,616 as of December 31, 2013.

The debt service requirements to maturity on the Series 2013 bonds are as follows:

Fiscal year ending December 31,	Principal	Interest	Total
2014	$ 258,212	$ 35,263	$ 293,475
2015	263,187	30,288	293,475
2016	268,258	25,217	293,475
2017	273,427	20,048	293,475
2018	278,696	14,779	293,475
2019-2021	622,400	13,463	635,863
Total	$ 1,964,180	$ 139,058	$ 2,103,238

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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

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

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

Year ending December 31,	Principal	Interest	Total
2014	$ 22,826	$ 8,456	$ 31,282
2015	23,347	7,935	31,282
2016	23,880	7,402	31,282
2017	15,172	6,905	22,077
2018	12,480	6,527	19,007
2019-2023	68,330	26,705	95,035
2024-2028	79,374	15,662	95,036
2029-2032	63,077	3,450	66,527
Total	$ 308,486	$ 83,042	$ 391,528

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, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 52,905	$ 37,495	$ (38,018)	$ 52,382	$ 38,000

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, 2013 are as follows:

	January 1, 2013	January 1, 2012
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 257,713	$ 244,571
Interest on Net Pension Obligation	2,124	2,135
Amortization of Net Pension Obligation	(2,272)	(2,285)
Annual Pension Cost	$ 257,565	$ 244,421
Derivation of Net Pension Obligation		
Annual Pension Cost for Current Year		$ 257,565
Actual Contributions to Plan for Current Year		261,625
Increase in Net Pension Obligation		(4,060)
Net Pension Obligation (Asset) as of December 31, 2012		27,402
Net Pension Obligation (Asset) as of December 31, 2013		$ 23,342

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Annual Pension Cost (Continued)

Basis of Valuation for Determining Contributions	
Current Valuation Date	January 1, 2013
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	5.0% - 7.5% based on age
Expected Annual Inflation	2.5%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (closed)
Remaining Amortization Period	10

The following is a schedule of funding progress:

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
1/1/2013	$ 2,162,135	$ 2,948,545	$ 786,410	73.33 %	$ 4,832,471	16.27 %

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2013.

Trend Information for The Plan				
Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/13	$ 257,565	$ 261,625	101.6 %	$ 23,342
1/1/12	244,421	244,571	100.1	27,402
1/1/11	249,553	249,703	100.1	27,552

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, 2013, the County's covered payroll for employees participating in this plan was $4,132,500 and total payroll was $8,161,503. The County's contribution was $159,473 and employee contributions were $171,941.

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.

Financial Guarantees

In August 2013, the Development Authority of Lumpkin County obtained financing from a financial institution in the form of a loan in the maximum principal amount of $1,403,614. Subsequently, the County guaranteed this loan in accordance with an intergovernmental contract signed between the Development Authority and the County dated August 27, 2013. Payments on the loan are due in monthly installments of principal and interest for a term of 240 months. As of December 31, 2013, the outstanding balance of the loan is $1,390,135. In the event that the Development Authority has insufficient funds on deposit to enable the Development Authority to pay the principal and interest on the loan, the County will be required to transfer funds to the Development Authority such that payments from the County, when added to amounts available in the Development Authority's accounts, will be sufficient to pay principal and interest currently due.

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, 2013, the County paid $27,227 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.

NOTE 13. JOINT VENTURE (CONTINUED)

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

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

The County participates with Union and Towns Counties in the North Georgia Waste Management Authority. The Authority studied solid waste disposal issues, developed a plan to recycle waste paper and has leased those facilities to private entities. Lumpkin County has an ongoing financial interest and obligation for funding debt service requirements. The participating counties are annually assessed varying amounts to cover the Authority's inability to service its debt. During the year ended December 31, 2013, the County made no payments to the Authority. As of December 31, 2013, 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 5% lodging tax. During the year ended December 31, 2013, the County collected $130,122 in hotel/motel taxes. For the same year then ended, the hotel/motel tax fund reported expenditures of $138,180, which includes 100% of current year taxes collected, as well as additional amounts from available fund balance, for 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, 2013

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 12,198,914	$ 12,317,627	$ 12,762,044	$ 444,417
Licenses and permits	40,000	46,000	46,006	6
Fines and forfeitures	518,250	518,250	454,487	(63,763)
Charges for services	2,449,790	2,538,336	2,730,978	192,642
Interest income	25,358	25,358	26,029	671
Intergovernmental	618,646	707,646	914,440	206,794
Contributions and donations	11,500	22,217	26,715	4,498
Other	84,697	251,663	188,220	(63,443)
Total revenues	15,947,155	16,427,097	17,148,919	721,822
Expenditures:				
Current:				
General government:				
Legislative	145,264	145,264	129,391	15,873
Executive	236,489	236,830	226,795	10,035
Board of elections	129,928	130,066	111,896	18,170
Human resources	217,716	217,962	194,407	23,555
Financial administration	428,571	429,027	418,489	10,538
Data processing	187,772	327,866	361,002	(33,136)
Tax commissioner	341,340	341,723	330,988	10,735
Public/General buildings	763,528	763,861	698,184	65,677
Customer service	547,629	549,534	315,637	233,897
Tax assessor	404,526	405,038	379,297	25,741
Risk management	25,000	25,000	13,414	11,586
Total general government	3,427,763	3,572,171	3,179,500	392,671
Judicial:				
Judicial administration	381,336	389,563	382,367	7,196
Superior court	190,018	165,018	194,460	(29,442)
Clerk superior court	469,970	470,555	464,033	6,522
District attorney	32,100	32,100	20,442	11,658
Magistrate court	231,022	231,262	215,021	16,241
Probate court	237,971	238,273	231,678	6,595
Total judicial	1,542,417	1,526,771	1,508,001	18,770
Public safety:				
Police	56,500	64,197	74,194	(9,997)
Fire	2,068,462	2,070,468	2,213,865	(143,397)
Sheriff	5,088,807	4,934,328	4,881,495	52,833
Emergency medical services	64,237	64,237	57,730	6,507
Coroner	27,673	39,673	50,850	(11,177)
Other protection	232,819	233,010	214,542	18,468
Total public safety	7,538,498	7,405,913	7,492,676	(86,763)
Public works:				
Public works administration	52,192	52,311	51,051	1,260
Highways and streets	1,065,168	1,065,980	959,069	106,911
Sanitation and wastewater	169,204	169,425	162,977	6,448
Total public works	1,286,564	1,287,716	1,173,097	114,619

(Continued)

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health	$ 209,199	$ 209,199	$ 209,494	$ (295)
Community services	360,853	399,112	385,516	13,596
Total health and welfare	570,052	608,311	595,010	13,301
Culture and recreation:				
Participant recreation	406,590	677,805	637,610	40,195
Special facilities	-	106,009	90,739	15,270
Library	304,466	304,466	304,466	-
Total culture and recreation	711,056	1,088,280	1,032,815	55,465
Housing and development:				
Conservation	53,959	53,959	48,433	5,526
Economic development	36,385	52,385	30,695	21,690
Total housing and development	90,344	106,344	79,128	27,216
Debt service:				
Principal	47,365	47,365	47,365	-
Interest	71,675	71,675	71,675	-
Total debt service	119,040	119,040	119,040	-
Total expenditures	15,285,734	15,714,546	15,179,267	535,279
Excess of revenues over expenditures	661,421	712,551	1,969,652	1,257,101
Other financing sources (uses):				
Transfers in	-	-	7,996	7,996
Transfers out	(661,421)	(712,551)	(1,177,479)	(464,928)
Total other financing sources (uses)	(661,421)	(712,551)	(1,169,483)	(456,932)
Net change in fund balances	-	-	800,169	800,169
Fund balances, beginning of year	6,846,635	6,846,635	6,846,635	-
Fund balances, end of year	$ 6,846,635	$ 6,846,635	$ 7,646,804	$ 800,169

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 31,2013	$ 2,162,135	$ 2,948,545	$ 786,410	73.3%	$ 4,832,471	16.3%
December 31,2012	1,828,102	2,708,829	880,727	67.5%	4,898,118	18.0%
December 31,2011	1,594,025	2,481,470	887,445	64.2%	5,033,107	17.6%
December 31,2010	1,367,926	2,197,884	829,958	62.2%	4,392,860	18.9%
December 31,2009	1,124,824	2,016,675	891,851	55.8%	4,759,587	18.7%
December 31,2008	1,006,023	1,694,220	688,197	59.4%	4,536,121	15.2%

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

LUMPKIN COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	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**	**Public Defender Fund**
Cash and cash equivalents	$ 864	$ 77,146	$ -	$ 4	$ -	$ 3,708	$ 28,799	$ 44,944
Receivables, net of allowance for uncollectibles	910	-	88,150	325	-	-	194	21,259
Due from other funds	39,312	-	-	-	7,217	-	-	-
Prepaid items	-	-	20,696	-	-	-	-	25,430
Total assets	$ 41,086	$ 77,146	$ 108,846	$ 329	$ 7,217	$ 3,708	$ 28,993	$ 91,633
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ -	$ -	$ 21,207	$ -	$ -	$ -	$ -	$ 211
Due to other funds	-	-	-	6,709	-	-	-	202
Total liabilities	-	-	21,207	6,709	-	-	-	413
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-
Unearned revenue - property taxes	-	-	-	-	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-	-	-	-
Unearned revenue - intergovernmental	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICIT)								
Nonspendable:								
Prepaid items	-	-	20,696	-	-	-	-	25,430
Restricted for:								
Public safety activities	41,086	-	66,943	-	7,217	3,708	28,993	-
Law library operations	-	77,146	-	-	-	-	-	-
Judicial activities	-	-	-	-	-	-	-	65,790
Tourism	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(6,380)	-	-	-	-
Total fund balances (deficits)	41,086	77,146	87,639	(6,380)	7,217	3,708	28,993	91,220
Total liabilities, deferred inflows of resources, and fund balances	$ 41,086	$ 77,146	$ 108,846	$ 329	$ 7,217	$ 3,708	$ 28,993	$ 91,633

				Capital Projects Funds			
Technology Fee Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Planning Fund	Capital Projects Fund	Local Roads Fund	Community Development Block Grant Fund	Total Nonmajor Governmental Funds
$ 36,745	$ -	$ 49,555	$ 149,064	$ -	$ 394,177	$ 1,000	$ 786,006
-	143,123	7,965	28,298	-	-	-	290,224
17,653	-	-	-	-	-	-	64,182
-	-	-	651	-	-	-	46,777
$ 54,398	$ 143,123	$ 57,520	$ 178,013	$ -	$ 394,177	$ 1,000	$ 1,187,189
$ 419	$ 27,545	$ 19,181	$ 6,692	$ 743	$ -	$ -	$ 75,998
-	130,825	38,092	90,791	-	1,000	1,000	268,619
419	158,370	57,273	97,483	743	1,000	1,000	344,617
-	-	-	8,684	-	-	-	8,684
-	-	-	114,928	-	-	-	114,928
-	50,116	-	-	-	-	-	50,116
-	-	-	-	-	393,177	-	393,177
-	50,116	-	123,612	-	393,177	-	566,905
-	-	-	651	-	-	-	46,777
-	-	-	-	-	-	-	147,947
-	-	-	-	-	-	-	77,146
53,979	-	-	-	-	-	-	119,769
-	-	247	-	-	-	-	247
-	(65,363)	-	(43,733)	(743)	-	-	(116,219)
53,979	(65,363)	247	(43,082)	(743)	-	-	275,667
$ 54,398	$ 143,123	$ 57,520	$ 178,013	$ -	$ 394,177	$ 1,000	$ 1,187,189

LUMPKIN COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2013

	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	Public Defender Fund
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Fines and forfeitures	44,992	17,906	-	-	-	10,719	-	-
Charges for services	-	-	511,365	-	452	-	25,946	-
Interest income	-	-	-	9	-	10	21	263
Intergovernmental	-	-	-	-	-	-	16,287	190,348
Contributions and donations	-	-	-	-	-	-	8,443	-
Other revenues	-	-	-	234	-	-	-	-
Total revenues	44,992	17,906	511,365	243	452	10,729	50,697	190,611
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Judicial	15,000	39,670	-	-	-	-	-	344,186
Public safety	10,103	-	662,024	-	-	8,971	47,052	-
Public works	-	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	25,103	39,670	662,024	-	-	8,971	47,052	344,186
Excess (deficiency) of revenues over expenditures	19,889	(21,764)	(150,659)	243	452	1,758	3,645	(153,575)
Other financing sources (uses):								
Transfers in	-	-	182,375	20,000	-	-	-	85,596
Transfers out	(20,000)	(15,500)	-	-	-	-	-	-
Total other financing sources (uses)	(20,000)	(15,500)	182,375	20,000	-	-	-	85,596
Net change in fund balances	(111)	(37,264)	31,716	20,243	452	1,758	3,645	(67,979)
Fund balances (deficit), beginning of year	41,197	114,410	55,923	(26,623)	6,765	1,950	25,348	159,199
Fund balances (deficit), end of year	$ 41,086	$ 77,146	$ 87,639	$ (6,380)	$ 7,217	$ 3,708	$ 28,993	$ 91,220

					Capital Projects Funds			
Technology Fee Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Planning Fund	Capital Projects Fund	Local Roads Fund	Community Development Block Grant Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ 130,122	$ 130,157	$ -	$ -	$ -	$ 260,279
-	-	-	117,990	-	-	-	117,990
-	-	-	-	-	-	-	73,617
19,105	-	-	4,060	-	-	-	560,928
-	-	93	198	-	-	-	594
-	324,709	-	-	-	-	2,412	533,756
-	-	-	-	-	-	-	8,443
-	-	-	-	-	-	-	234
19,105	324,709	130,215	252,405	-	-	2,412	1,555,841
-	1,149	-	-	-	-	-	1,149
10,321	181,898	-	-	18,233	-	-	609,308
-	452,332	-	-	-	-	-	1,180,482
-	-	-	-	76,013	-	-	76,013
-	-	138,180	200,625	-	-	124	338,929
-	-	-	-	74,848	-	2,837	77,685
10,321	635,379	138,180	200,625	169,094	-	2,961	2,283,566
8,784	(310,670)	(7,965)	51,780	(169,094)	-	(549)	(727,725)
-	327,494	-	-	168,286	-	-	783,751
-	-	-	-	-	-	(7,996)	(43,496)
-	327,494	-	-	168,286	-	(7,996)	740,255
8,784	16,824	(7,965)	51,780	(808)	-	(8,545)	12,530
45,195	(82,187)	8,212	(94,862)	65	-	8,545	263,137
$ 53,979	$ (65,363)	$ 247	$ (43,082)	$ (743)	$ -	$ -	$ 275,667

LUMPKIN COUNTY, GEORGIA
DRUG REHABILITATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 30,000	$ 30,000	$ 44,992	$ 14,992
Total revenues	30,000	30,000	44,992	14,992
Expenditures:				
Current:				
Judicial	20,000	20,000	15,000	5,000
Public safety	10,000	10,000	10,103	(103)
Total expenditures	30,000	30,000	25,103	4,897
Excess of revenues over expenditures	-	-	19,889	19,889
Other financing uses:				
Transfers out	(20,000)	(20,000)	(20,000)	-
Total other financing uses	(20,000)	(20,000)	(20,000)	-
Net changes in fund balances	(20,000)	(20,000)	(111)	19,889
Fund balances, beginning of year	41,197	41,197	41,197	-
Fund balances, end of year	$ 21,197	$ 21,197	$ 41,086	$ 19,889

LUMPKIN COUNTY, GEORGIA
LAW LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 15,000	$ 15,000	$ 17,906	$ 2,906
Total revenues	15,000	15,000	17,906	2,906
Expenditures:				
Current:				
Judicial	30,000	30,000	39,670	(9,670)
Total expenditures	30,000	30,000	39,670	(9,670)
Deficiency of revenues over expenditures	(15,000)	(15,000)	(21,764)	(6,764)
Other financing uses:				
Transfers out	-	(15,500)	(15,500)	-
Total other financing uses	-	(15,500)	(15,500)	-
Net changes in fund balances	(15,000)	(30,500)	(37,264)	(6,764)
Fund balances, beginning of year	114,410	114,410	114,410	-
Fund balances, end of year	$ 99,410	$ 83,910	$ 77,146	$ (6,764)

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 549,500	$ 549,500	$ 511,365	$ (38,135)
Total revenues	549,500	549,500	511,365	(38,135)
Expenditures:				
Current:				
Public safety	674,731	674,731	662,024	12,707
Total expenditures	674,731	674,731	662,024	12,707
Deficiency of revenues over expenditures	(125,231)	(125,231)	(150,659)	(25,428)
Other financing sources:				
Transfers in	125,231	125,231	182,375	57,144
Total other financing sources	125,231	125,231	182,375	57,144
Net changes in fund balances	-	-	31,716	31,716
Fund balances, beginning of year	55,923	55,923	55,923	-
Fund balances, end of year	$ 55,923	$ 55,923	$ 87,639	$ 31,716

LUMPKIN COUNTY, GEORGIA
DRUG COURT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 65,125	$ 65,125	$ -	$ (65,125)
Intergovernmental	43,653	43,653	-	(43,653)
Interest income	55	55	9	(46)
Contributions	35,000	35,000	-	(35,000)
Miscellaneous	3,300	3,300	234	(3,066)
Total revenues	147,133	147,133	243	(146,890)
Expenditures:				
Current:				
Judicial	177,133	177,133	-	177,133
Total expenditures	177,133	177,133	-	177,133
Excess (deficiency) of revenues over (under) expenditures	(30,000)	(30,000)	243	30,243
Other financing sources:				
Transfers in	30,000	30,000	20,000	(10,000)
Total other financing sources	30,000	30,000	20,000	(10,000)
Net changes in fund balances	-	-	20,243	20,243
Fund deficits, beginning of year	(26,623)	(26,623)	(26,623)	-
Fund deficits, end of year	$ (26,623)	$ (26,623)	$ (6,380)	$ 20,243

LUMPKIN COUNTY, GEORGIA
JUVENILE SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ -	$ -	$ 452	$ 452
Intergovernmental	7,500	7,500	-	(7,500)
Total revenues	7,500	7,500	452	(7,048)
Expenditures:				
Current:				
Judicial	7,500	7,500	-	7,500
Total expenditures	7,500	7,500	-	7,500
Net changes in fund balances	-	-	452	452
Fund balances, beginning of year	6,765	6,765	6,765	-
Fund balances, end of year	$ 6,765	$ 6,765	$ 7,217	$ 452

LUMPKIN COUNTY, GEORGIA
CONFISCATED ASSETS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 5,000	$ 8,000	$ 10,719	$ 2,719
Interest income	10	10	10	-
Total revenues	5,010	8,010	10,729	2,719
Expenditures:				
Current:				
Public safety	5,010	8,010	8,971	(961)
Total expenditures	5,010	8,010	8,971	(961)
Net changes in fund balances	-	-	1,758	1,758
Fund balances, beginning of year	1,950	1,950	1,950	-
Fund balances, end of year	$ 1,950	$ 1,950	$ 3,708	$ 1,758

LUMPKIN COUNTY, GEORGIA
SPECIAL PROGRAMS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 12,000	$ 32,000	$ 25,946	$ (6,054)
Interest income	10	10	21	11
Intergovernmental	-	8,000	16,287	8,287
Contributions and donations	7,000	8,000	8,443	443
Total revenues	19,010	48,010	50,697	2,687
Expenditures:				
Current:				
Public safety	19,010	48,010	47,052	958
Total expenditures	19,010	48,010	47,052	958
Net changes in fund balances	-	-	3,645	3,645
Fund balances, beginning of year	25,348	25,348	25,348	-
Fund balances, end of year	$ 25,348	$ 25,348	$ 28,993	$ 3,645

LUMPKIN COUNTY, GEORGIA
PUBLIC DEFENDER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 190,347	$ 190,347	$ 190,348	$ 1
Interest income	350	350	263	(87)
Total revenues	190,697	190,697	190,611	(86)
Expenditures:				
Current:				
Judicial	350,945	350,945	344,186	6,759
Total expenditures	350,945	350,945	344,186	6,759
Deficiency of revenues over expenditures	(160,248)	(160,248)	(153,575)	6,673
Other financing sources:				
Transfers in	85,596	85,596	85,596	-
Total other financing sources	85,596	85,596	85,596	-
Net changes in fund balances	(74,652)	(74,652)	(67,979)	6,673
Fund balances, beginning of year	159,199	159,199	159,199	-
Fund balances, end of year	$ 84,547	$ 84,547	$ 91,220	$ 6,673

LUMPKIN COUNTY, GEORGIA
TECHNOLOGY FEE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 19,000	$ 19,000	$ 19,105	$ 105
Total revenues	19,000	19,000	19,105	105
Expenditures:				
Current:				
Judicial	19,000	19,000	10,321	8,679
Total expenditures	19,000	19,000	10,321	8,679
Net changes in fund balances	-	-	8,784	8,784
Fund balances, beginning of year	45,195	45,195	45,195	-
Fund balances, end of year	$ 45,195	$ 45,195	$ 53,979	$ 8,784

LUMPKIN COUNTY, GEORGIA
MULTIPLE GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 245,785	$ 332,454	$ 324,709	$ (7,745)
Miscellaneous	24,154	24,154	-	(24,154)
Total revenues	269,939	356,608	324,709	(31,899)
Expenditures:				
Current:				
General government	53,000	53,000	1,149	51,851
Judicial	90,442	160,751	181,898	(21,147)
Public safety	396,096	427,187	452,332	(25,145)
Public works	53,250	53,250	-	53,250
Total expenditures	592,788	694,188	635,379	58,809
Deficiency of revenues over expenditures	(322,849)	(337,580)	(310,670)	26,910
Other financing sources:				
Transfers in	322,849	337,580	327,494	(10,086)
Total other financing sources	322,849	337,580	327,494	(10,086)
Net changes in fund balances	-	-	16,824	16,824
Fund deficits, beginning of year	(82,187)	(82,187)	(82,187)	-
Fund deficits, end of year	$ (82,187)	$ (82,187)	$ (65,363)	$ 16,824

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Hotel/Motel taxes	$ 109,000	$ 109,000	$ 130,122	$ 21,122
Interest	100	100	93	(7)
Total revenues	109,100	109,100	130,215	21,115
Expenditures:				
Current:				
Housing and development	109,000	109,000	138,180	(29,180)
Total expenditures	109,000	109,000	138,180	(29,180)
Excess (deficiency) of revenues over (under) expenditures	100	100	(7,965)	(8,065)
Other financing uses:				
Transfers out	(100)	(100)	-	100
Total other financing uses	(100)	(100)	-	100
Net changes in fund balances	-	-	(7,965)	(7,965)
Fund balances, beginning of year	8,212	8,212	8,212	-
Fund balances, end of year	$ 8,212	$ 8,212	$ 247	$ (7,965)

LUMPKIN COUNTY, GEORGIA
PLANNING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 129,138	$ 129,138	$ 130,157	$ 1,019
Licenses and permits	84,625	84,625	117,990	33,365
Charges for services	4,000	4,000	4,060	60
Interest income	300	300	198	(102)
Total revenues	218,063	218,063	252,405	34,342
Expenditures:				
Current:				
Housing and development	218,063	218,063	200,625	17,438
Total expenditures	218,063	218,063	200,625	17,438
Net changes in fund balances	-	-	51,780	51,780
Fund deficits, beginning of year	(94,862)	(94,862)	(94,862)	-
Fund deficits, end of year	$ (94,862)	$ (94,862)	$ (43,082)	$ 51,780

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 202,822	$ 202,822	$ 209,132	$ 6,310
Investment income	281,500	281,500	134,254	(147,246)
Total revenues	484,322	484,322	343,386	(140,936)
Expenditures:				
Debt service:				
Principal	1,393,555	1,393,555	1,393,554	1
Interest	346,391	346,391	346,390	1
Total expenditures	1,739,946	1,739,946	1,739,944	2
Net change in fund balances	(1,255,624)	(1,255,624)	(1,396,558)	(140,934)
Fund balances, beginning of year	6,837,402	6,837,402	6,837,402	-
Fund balances, end of year	$ 5,581,778	$ 5,581,778	$ 5,440,844	$ (140,934)

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2013

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2003 SPLOST					
Debt service - Public Building Authority	$ 15,750,000	$ 20,202,939	$ 15,256,653	$ 1,534,782	$ 16,791,435
2008 SPLOST					
Judicial Facilities	$ 14,000,000	$ 6,859,839	$ 6,517,428	$ 342,411	$ 6,859,839
Water & Sewer Infrastructure Expansion	4,000,000	268,000	-	22,575	22,575
Library Facilities	4,000,000	322,784	322,784	-	322,784
Roads & Bridges	3,000,000	2,632,216	1,288,769	847,573	2,136,342
Administrative Facilities	1,000,000	2,268,600	2,120,477	148,123	2,268,600
Public Safety Vehicles	1,376,000	1,198,971	670,669	528,302	1,198,971
Park & Recreation Facilities	1,000,000	1,081,575	985,575	96,000	1,081,575
Industrial Development Property	1,000,000	110,769	-	110,769	110,769
Fire Protection Facilities	600,000	114,974	112,364	2,610	114,974
Public Warning System	250,000	139,728	139,728	-	139,728
Public Works Equipment	250,000	188,172	188,172	-	188,172
E911 Equipment	240,000	213,754	213,754	-	213,754
City of Dahlonega Water Treatment Facilities	4,284,000	3,171,870	2,482,036	506,495	2,988,531
Total 2008 SPLOST	$ 35,000,000	$ 18,571,252	$ 15,041,756	$ 2,604,858	$ 17,646,614
2003 SPLOST Expenditures disbursed from Debt Service Fund				$ 1,534,782	
Principal repayments for debt issued for approved SPLOST projects				355,000	
Total SPLOST Fund Expenditures				$ 2,959,858	

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, 2013

ASSETS	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total
Cash	$ 638,655	$ 19,090	$ 180,792	$ 15,373	$ 444	$ 854,354
Taxes receivable	2,772,850	-	-	-	-	2,772,850
Accounts receivable	-	20,120	-	-	-	20,120
Total assets	$ 3,411,505	$ 39,210	$ 180,792	$ 15,373	$ 444	$ 3,647,324
LIABILITIES						
Due to others	$ 638,655	$ 39,210	$ 180,792	$ 15,373	$ 444	$ 874,474
Uncollected taxes	2,772,850	-	-	-	-	2,772,850
Total liabilities	$ 3,411,505	$ 39,210	$ 180,792	$ 15,373	$ 444	$ 3,647,324

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1, 2013	Increases	Decreases	Balance December 31, 2013
Tax Commissioner				
ASSETS				
Cash	$ 540,222	$ 27,087,050	$ (26,988,617)	$ 638,655
Taxes receivable	2,562,442	13,574,593	(13,364,185)	2,772,850
Total assets	$ 3,102,664	$ 40,661,643	$ (40,352,802)	$ 3,411,505
LIABILITIES				
Due to others	$ 540,222	$ 27,087,050	$ (26,988,617)	$ 638,655
Uncollected taxes	2,562,442	13,574,593	(13,364,185)	2,772,850
Total liabilities	$ 3,102,664	$ 40,661,643	$ (40,352,802)	$ 3,411,505
Sheriff				
ASSETS				
Cash	$ 16,774	$ 127,455	$ (125,139)	$ 19,090
Accounts receivable	18,920	20,120	(18,920)	20,120
Total assets	$ 35,694	$ 147,575	$ (144,059)	$ 39,210
LIABILITIES				
Due to others	$ 35,694	$ 147,575	$ (144,059)	$ 39,210
Total liabilities	$ 35,694	$ 147,575	$ (144,059)	$ 39,210
Clerk of Courts				
ASSETS				
Cash	$ 157,376	$ 1,365,077	$ (1,341,661)	$ 180,792
Total assets	$ 157,376	$ 1,365,077	$ (1,341,661)	$ 180,792
LIABILITIES				
Due to others	$ 157,376	$ 1,365,077	$ (1,341,661)	$ 180,792
Total liabilities	$ 157,376	$ 1,365,077	$ (1,341,661)	$ 180,792

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1, 2013	Increases	Decreases	Balance December 31, 2013
Probate Court				
ASSETS				
Cash	$ 6,157	$ 435,972	$ (426,756)	$ 15,373
Total assets	$ 6,157	$ 435,972	$ (426,756)	$ 15,373
LIABILITIES				
Due to others	$ 6,157	$ 435,972	$ (426,756)	$ 15,373
Total liabilities	$ 6,157	$ 435,972	$ (426,756)	$ 15,373
Magistrate Court				
ASSETS				
Cash	$ 527	$ 46,110	$ (46,193)	$ 444
Total assets	$ 527	$ 46,110	$ (46,193)	$ 444
LIABILITIES				
Due to others	$ 527	$ 46,110	$ (46,193)	$ 444
Total liabilities	$ 527	$ 46,110	$ (46,193)	$ 444
Total Agency Funds				
ASSETS				
Cash	$ 721,056	$ 29,061,664	$ (28,928,366)	$ 854,354
Taxes receivable	2,562,442	13,574,593	(13,364,185)	2,772,850
Accounts receivable	18,920	20,120	(18,920)	20,120
Total assets	$ 3,302,418	$ 42,656,377	$ (42,311,471)	$ 3,647,324
LIABILITIES				
Due to others	$ 739,976	$ 29,081,784	$ (28,947,286)	$ 874,474
Uncollected taxes	2,562,442	13,574,593	(13,364,185)	2,772,850
Total liabilities	$ 3,302,418	$ 42,656,377	$ (42,311,471)	$ 3,647,324

COMPONENT UNIT – HOSPITAL AUTHORITY

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - HOSPITAL AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2013

	Hospital Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	$ (34,541)
Net cash used in operating activities	(34,541)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	46,127
Net cash provided by investing activities	46,127
Net increase in cash and cash equivalents	11,586
Cash and cash equivalents:	
Beginning of year	315,596
End of year	$ 327,182
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (34,541)
Net cash used in operating activities	$ (34,541)
NON-CASH INVESTING ACTIVITIES	
Unrealized loss on investments	$ (111,533)

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 ..... **83 - 89**

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 ..... **90 - 94**

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

Debt Capacity ..... **95 - 98**

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 ..... **99 and 100**

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

Operating Information ..... **102 - 103**

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

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

LUMPKIN COUNTY, GEORGIA

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Net investment in capital assets	**$ 60,580**	$ 59,032	$ 56,295	$ 55,355	$ 52,684	$ 49,322	$ 49,013	$ 45,080	$ 42,989	$ 40,372
Restricted	**6,628**	7,765	9,352	9,243	11,484	11,484	11,783	9,734	7,321	5,732
Unrestricted	**7,889**	6,853	7,226	6,744	5,583	5,627	3,489	5,757	4,947	5,508
Total governmental activities net position	**$ 75,097**	$ 73,650	$ 72,873	$ 71,342	$ 69,751	$ 66,433	$ 64,285	$ 60,571	$ 55,257	$ 51,612
Business-type activities										
Net investment in capital assets	**$ 663**	$ 694	$ 709	$ 735	$ 762	$ 798	$ 834	$ 870	$ 849	$ 548
Restricted	**-**	-	-	-	-	-	-	-	-	-
Unrestricted	**(442)**	(457)	(492)	(506)	(407)	(419)	(440)	(430)	(321)	(446)
Total business-type activities net position	**$ 221**	$ 237	$ 217	$ 229	$ 355	$ 379	$ 394	$ 440	$ 528	$ 102
Primary government										
Net investment in capital assets	**$ 61,243**	$ 59,726	$ 57,004	$ 56,090	$ 53,446	$ 50,120	$ 49,847	$ 45,950	$ 43,838	$ 40,920
Restricted	**6,628**	7,765	9,352	9,243	11,484	11,484	11,783	9,734	7,321	5,732
Unrestricted	**7,447**	6,396	6,734	6,238	5,176	5,208	3,049	5,327	4,626	5,062
Total primary government net position	**$ 75,318**	$ 73,887	$ 73,090	$ 71,571	$ 70,106	$ 66,812	$ 64,679	$ 61,011	$ 55,785	$ 51,714

LUMPKIN COUNTY, GEORGIA

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
General government	**$ 3,964**	$ 3,714	$ 3,144	$ 3,210	$ 2,843	$ 3,437	$ 2,742	$ 2,589	$ 2,276	$ 2,297
Judicial system	**2,119**	2,375	2,673	2,585	2,403	2,476	2,409	2,097	2,139	1,789
Public safety	**9,151**	9,235	8,965	9,004	7,958	9,260	7,845	7,326	6,680	6,268
Public works	**2,688**	2,472	2,614	2,604	2,450	1,182	2,489	2,275	2,096	2,125
Health and welfare	**628**	589	595	613	654	1,045	556	451	480	463
Culture and recreation	**1,235**	955	1,014	1,334	1,336	1,450	1,413	1,343	1,225	1,243
Housing and development	**432**	426	421	424	458	705	629	923	481	521
Interest on long-term debt	**473**	863	917	998	750	1,064	819	883	730	791
Total governmental activities expenses	**20,690**	20,629	20,343	20,772	18,852	20,619	18,902	17,887	16,107	15,497
Business-type activities:										
Solid Waste	**109**	134	94	225	119	133	143	93	130	511
Total business-type activities expenses	**109**	134	94	225	119	133	143	93	130	511
Total primary government expenses	**$ 20,799**	$ 20,763	$ 20,437	$ 20,997	$ 18,971	$ 20,752	$ 19,045	$ 17,980	$ 16,237	$ 16,008
Program Revenues										
Governmental activities:										
Charges for services:										
General government	**$ 778**	$ 1,072	$ 1,018	$ 1,177	$ 895	$ 1,278	$ 1,242	$ 869	$ 691	$ 514
Judicial system	**1,001**	619	675	771	682	726	603	764	536	(670)
Public safety	**2,013**	1,974	2,423	1,921	2,030	1,172	1,660	1,601	2,165	1,611
Public works	**1**	30	51	53	49	1	4	9	5	9
Health and welfare	**39.83**	58	42	52	2	20	27	15	14	12
Culture and recreation	**231**	-	22	216	262	318	283	366	278	306
Housing and development	**122**	109	77	96	120	240	59	580	521	395
Operating grants and contributions	**977**	1,287	1,555	1,567	1,276	1,541	885	738	1,001	438
Capital grants and contributions	**748**	583	17	54	202	194	1,800	2,451	1,768	1,337
Total governmental activities program revenues	**5,911**	5,732	5,880	5,907	5,518	5,490	6,563	7,393	6,979	3,952
Business-type activities:										
Charges for services:										
Solid waste	**45**	115	15	15	20	61	43	33	15	290
Operating grants and contributions	**-**	-	-	-	-	-	-	-	-	50
Capital grants and contributions	**-**	13	-	-	-	-	-	-	150	77
Total business-type activities program revenues	**45**	128	15	15	20	61	43	33	165	417
Total primary government program revenues	**$ 5,956**	$ 5,860	$ 5,895	$ 5,922	$ 5,538	$ 5,551	$ 6,606	$ 7,426	$ 7,144	$ 4,369
Net (expense)/revenue										
Governmental activities	**$ (14,779)**	$ (14,897)	$ (14,463)	$ (14,865)	$ (13,334)	$ (15,129)	$ (12,339)	$ (10,494)	$ (9,128)	$ (11,545)
Business-type activities	**(64)**	(6)	(79)	(210)	(99)	(72)	(100)	(60)	35	(94)
Total primary government net expense	**$ (14,843)**	$ (14,903)	$ (14,542)	$ (15,075)	$ (13,433)	$ (15,201)	$ (12,439)	$ (10,554)	$ (9,093)	$ (11,639)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	**$ 9,553**	$ 8,818	$ 9,047	$ 9,850	$ 9,841	$ 9,708	$ 7,976	$ 7,251	$ 6,005	$ 5,859
Sales taxes	**5,191**	5,471	5,358	5,195	5,324	5,777	6,276	6,105	5,127	5,060
Insurance premium taxes	**1,148**	1,105	1,034	828	852	864	844	802	765	717
Other taxes	**222**	188	227	219	185	223	204	691	570	574
Unrestricted investment earnings	**161**	318	394	448	511	732	749	569	378	241
Unrestricted grants and contributions	**-**	-	-	-	-	-	-	331	292	284
Gain on sale of capital assets	**-**	-	-	-	14	30	-	32	-	42
Transfers	**(48)**	(26)	(66)	(84)	(76)	(57)	(54)	27	(364)	(102)
Total governmental activities	**16,227**	15,874	15,994	16,456	16,651	17,277	15,995	15,808	12,773	12,675
Business-type activities:										
Unrestricted grants and contributions	**-**	-	-	-	-	-	-	-	27	-
Gain on sale of capital assets	**-**	-	-	-	-	-	-	-	-	14
Transfers	**48**	26	66	84	75	57	54	(27)	364	102
Total business-type activities	**48**	26	66	84	75	57	54	(27)	391	116
Total primary government	**$ 16,275**	$ 15,900	$ 16,060	$ 16,540	$ 16,726	$ 17,334	$ 16,049	$ 15,781	$ 13,164	$ 12,791
Change in Net Position										
Governmental activities	**$ 1,448**	$ 977	$ 1,531	$ 1,591	$ 3,317	$ 2,148	$ 3,656	$ 5,314	$ 3,645	$ 1,130
Business-type activities	**(16)**	20	(13)	(126)	(24)	(15)	(46)	(87)	426	22
Total primary government	**$ 1,432**	$ 997	$ 1,518	$ 1,465	$ 3,293	$ 2,133	$ 3,610	$ 5,227	$ 4,071	$ 1,152

LUMPKIN COUNTY, GEORGIA

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

	2013	2012	2011 (2)	2010	2009
General fund					
Reserved	**$ -**	$ -	$ -	$ 449	$ 296
Unreserved	**-**	-	-	5,439	4,993
Nonspendable:					
Prepaid items	**355**	265	255	-	-
Inventory	**114**	117	86	-	-
Unassigned	**7,178**	6,464	6,516	-	-
Total general fund	**$ 7,647**	$ 6,846	$ 6,857	$ 5,888	$ 5,289
All other governmental funds					
Reserved	**$ -**	$ -	$ -	$ 9,297	$ 10,404
Unreserved, reported in:					
Special revenue funds	**-**	-	-	512	314
Capital projects funds (1)	**-**	-	-	(320)	524
Nonspendable:					
Prepaid items	**47**	41	35	-	-
Restricted for:					
Debt service	**5,441**	6,837	8,073	-	-
Capital projects	**825**	432	549	-	-
Public safety activities	**148**	115	290	-	-
Law library operations	**77**	114	134	-	-
Judicial activities	**119**	180	165	-	-
Tourism	**1**	8	6	-	-
Unassigned	**(116)**	(204)	(128)	-	-
Total all other governmental funds	**$ 6,542**	$ 7,523	$ 9,124	$ 9,489	$ 11,242

(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.

2008	2007	2006	2005	2004
$ 329	$ 463	$ 493	$ 433	$ 296
3,550	3,796	4,834	3,549	4,431
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 3,879	$ 4,259	$ 5,327	$ 3,982	$ 4,727
$ 11,529	$ 11,830	$ 9,320	$ 7,006	$ 5,451
351	468	454	369	271
8,420	(1,107)	122	405	397
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 20,300	$ 11,191	$ 9,896	$ 7,780	$ 6,119

LUMPKIN COUNTY, GEORGIA

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

	2013	2012	2011	2010	2009
Revenues					
Taxes	**$ 16,123**	$ 15,655	$ 15,557	$ 16,292	$ 15,718
Licenses and permits	**164**	131	112	131	147
Fines and forfeitures	**528**	577	608	660	606
Charges for services	**3,292**	3,026	3,489	3,312	3,146
Interest income	**163**	321	397	456	511
Intergovernmental	**1,492**	1,587	1,635	1,665	1,256
Contributions and donations	**35**	85	69	111	222
Miscellaneous	**189**	118	90	183	142
Total revenues	**21,986**	21,500	21,957	22,811	21,748
Expenditures					
General government	**3,181**	3,175	2,958	3,029	2,637
Judicial	**2,117**	2,374	2,252	2,585	2,386
Public safety	**8,673**	8,844	9,013	8,611	7,498
Public works	**1,338**	1,128	1,194	1,056	1,092
Health and welfare	**595**	554	565	600	643
Culture and recreation	**1,033**	760	826	1,138	1,144
Housing and development	**418**	429	409	420	440
Intergovernmental	**640**	467	574	504	517
Capital outlay (1)	**1,611**	2,994	1,115	3,481	10,596
Debt service					
Principal	**1,796**	1,502	1,440	1,434	1,306
Interest	**524**	856	942	1,022	1,100
Other charges	**237**	-	-	-	-
Total expenditures	**22,163**	23,083	21,288	23,881	29,359
Excess (deficiency) of revenues over (under) expenditures	**(177)**	(1,583)	669	(1,070)	(7,611)
Other financing sources (uses)					
Transfers in	**1,173**	966	898	1,087	829
Transfers out	**(1,221)**	(992)	(964)	(1,171)	(904)
Issuance of debt	**9,835**	-	-	-	-
Premium/discount on issuance of debt	**43**	-	-	-	-
Refunding payment to escrow agent	**(9,835)**	-	-	-	-
Sale of capital assets	**-**	-	-	-	39
Total other financing sources (uses)	**(5)**	(26)	(66)	(84)	(36)
Net change in fund balances	**$ (182)**	$ (1,609)	$ 603	$ (1,154)	$ (7,647)
Debt service as a percentage of noncapital expenditures	**12.6%**	11.8%	12.1%	12.0%	13.2%
Total debt service expenditures	**2,557**	2,358	2,382	2,456	2,406
Total non-capital expenditures	**20,306**	19,997	19,638	20,401	18,253

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

2008	2007	2006	2005	2004
$ 15,908	$ 15,773	$ 14,928	$ 12,516	$ 12,108
215	345	475	431	320
616	513	660	500	710
2,753	2,797	3,206	3,147	2,860
732	749	569	378	241
1,461	1,136	1,558	1,295	1,450
229	129	229	100	46
171	224	61	9	3
22,085	21,666	21,686	18,376	17,738
3,232	2,546	2,325	2,162	1,894
2,470	2,400	1,823	1,864	1,779
8,229	7,504	6,912	6,285	5,918
1,331	1,285	1,017	1,148	1,268
641	534	435	459	441
1,309	1,297	1,228	1,123	1,158
696	608	906	462	499
-	-	48	79	-
2,672	3,578	1,957	1,915	2,177
1,378	1,021	901	863	382
1,022	860	999	752	797
270	-	-	-	-
23,250	21,633	18,551	17,112	16,313
(1,165)	33	3,135	1,264	1,425
1,326	2,812	1,586	1,985	1,567
(1,383)	(2,867)	(1,559)	(2,349)	(1,669)
10,000	90	254	16	238
(99)	-	-	-	-
-	-	-	-	-
49	-	45	-	41
9,893	35	326	(348)	177
$ 8,728	$ 68	$ 3,461	$ 916	$ 1,602
13.1%	10.4%	11.4%	10.6%	8.3%
2,670	1,881	1,900	1,615	1,179
20,399	18,055	16,594	15,197	14,136

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
2004	$ 5,757	$ 5,060	$ 717	$ 326	$ 95	$ 153	$ 12,108
2005	6,054	5,127	765	323	113	134	12,516
2006	7,330	6,105	802	365	152	174	14,928
2007	8,449	6,276	844	-	162	43	15,773
2008	9,044	5,777	864	-	165	58	15,908
2009	9,357	5,324	852	-	159	26	15,718
2010	10,070	5,175	828	-	149	70	16,292
2011	8,927	5,370	1,034	-	152	74	15,557
2012	8,891	5,471	1,105	-	148	40	15,655
2013	9,562	5,191	1,148	-	157	65	16,123

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)
2005	2004	$ 380,502,691	$ 91,404,475	$ 341,344,010	$ 19,223,476	$ 58,705,170	$ 15,148,984	$ 41,696,433	$ 267,607
2006	2005	421,998,678	110,055,207	341,215,830	20,006,951	60,957,260	14,576,647	43,822,195	703,204
2007	2006	474,080,110	120,224,834	337,166,386	21,026,349	59,890,060	11,341,763	44,433,206	268,079
2008	2007	651,531,386	146,096,729	533,335,219	22,070,588	52,606,340	10,774,781	50,235,688	603,959
2009	2008 (2)	713,461,603	149,641,216	524,516,235	21,881,226	69,567,910	10,111,154	52,266,978	699,332
2010	2009	730,417,434	172,847,299	526,452,545	22,160,994	73,698,120	10,387,091	25,650,315 (3)	215,455
2011	2010	733,853,262	163,008,355	527,557,546	21,633,639	64,059,070	9,842,509	23,508,772	126,609
2012	2011	674,182,867	154,868,006	396,482,139	22,117,043	62,934,700	7,673,414	25,035,446	32,936
2013	2012	577,710,655	146,825,500	342,372,210	21,836,730	65,738,040	6,874,280	21,184,034	94,477
2014	2013	570,339,673	141,351,639	340,723,449	23,516,594	69,311,340	6,391,829	22,416,738	254,363

Source: Georgia Department of Revenue, Property Tax Division

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

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

Less: Exemptions		Total Taxable	Total Direct	Estimated Actual	Assessed Value as a Percentage
Real	Personal	Assessed Value	Tax Rate	Taxable Value	of Actual Value
$ 125,057,626	$ 4,975,697	$ 818,259,523	7.277	$ 2,045,648,808	40.00%
130,276,501	5,080,217	877,979,254	8.052	2,194,948,135	40.00%
135,628,116	4,824,375	927,978,296	8.346	2,319,945,740	40.00%
250,849,126	5,350,388	1,211,055,176	6.912	3,027,637,940	40.00%
263,318,330	6,240,595	1,272,586,729	6.893	3,181,466,823	40.00%
275,738,365	96,194,591 (4)	1,189,896,297	6.947	2,974,740,743	40.00%
289,980,685	108,375,389	1,145,233,688	7.318	2,863,084,220	40.00%
215,892,161	113,055,175	1,014,379,215	7.852	2,535,948,038	40.00%
184,407,536	113,687,442	884,540,948	8.962	2,211,352,370	40.00%
186,227,302	123,313,100	864,765,223	9.121	2,161,913,058	40.00%

LUMPKIN COUNTY, GEORGIA

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

Tax Year	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Lumpkin County rates										
Unincorporated	9.121	8.962	7.852	7.318	6.947	6.893	6.912	8.346	8.052	7.277
Incorporated	10.743	10.436	8.881	7.907	7.842	7.707	7.724	9.385	9.068	8.275
Special services (reservoir)	0.294	0.289	0.253	0.220	0.191	0.178	0.187	0.226	0.411	-
Special services (planning)	0.187	0.184	0.161	0.098	0.409	-	-	-	-	-
Municipal rates										
Dahlonega	4.739	4.656	4.212	3.988	3.950	3.950	3.959	4.370	3.620	2.867
Board of Education										
Maintenance & Operations	16.540	16.239	14.259	12.800	12.800	11.840	11.860	14.190	14.190	14.250
State of Georgia	0.150	0.200	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Total Unincorporated	26.292	25.875	22.775	20.686	20.597	19.161	19.209	23.012	22.903	21.777
Total Incorporated	32.163	31.531	27.602	24.945	24.842	23.747	23.793	28.195	27.128	25.642

Source: Georgia Department of Revenue, Property Tax Division

LUMPKIN COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

	2013			2004		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
KOYO Bearings USA LLC	$ 8,794,650	1	1.02 %	$		%
Forestar (USA) Real Estate Group INC	8,399,816	2	0.97			
Georgia Power Company	6,660,662	3	0.77	2,963,127	8	0.36
Dunn Betty L Trustee	5,680,935	4	0.66			
Windstream Standard INC	5,194,713	5	0.60			
Amicalola EMC	4,431,097	6	0.51	3,737,642	4	0.46
HD Development of Maryland INC	3,997,346	7	0.46			
Birch River Chestatee Company LLC	3,875,386	8	0.45			
Dahlonega Group LLC	3,387,765	9	0.39			
R-Ranch in the Mountains	3,326,021	10	0.38			
Inland Container Corp				6,522,297	3	0.80
Torrington Company				8,269,064	1	1.01
Standard Telephone Co				8,258,585	2	1.01
Sherman Green, Roberta				3,484,257	6	0.43
Wal-Mart Stores #2513				3,634,760	5	0.44
Edna Noblin Estate				3,025,378	7	0.37
Turner Clinton Turner K K				2,542,080	9	0.31
Sherman Green				2,500,133	10	0.31
	$ 53,748,391		6.22 %	$ 44,937,323		5.19 %

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
2005	2004	$ 6,149	$ 4,976	80.92 %	$ 1,172	$ 6,148	99.98 %
2006	2005	7,270	5,988	82.37	1,278	7,266	99.94
2007	2006	7,762	6,615	85.22	1,133	7,748	99.82
2008	2007	7,722	2,719	35.21	5,002	7,721	99.99
2009	2008	8,148	6,268	76.93	1,879	8,147	99.99
2010	2009	7,966	6,400	80.34	1,565	7,965	99.99
2011	2010	7,682	6,435	83.77	1,246	7,681	99.99
2012	2011	7,674	6,600	86.00	1,073	7,673	99.99
2013	2012	7,527	6,698	88.99	820	7,518	99.88
2014	2013	7,493	6,475	86.41	-	6,475	86.41

LUMPKIN COUNTY, GEORGIA

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Capital Leases	Certificates of Participation	Revenue Bonds	Notes Payable			
2004	$ 172	$ -	$ -	$ 19,522	$ 19,694	3.65 %	$ 849
2005	93	-	-	18,743	18,836	3.11	774
2006	32	-	-	18,157	18,189	2.68	714
2007	-	-	-	17,357	17,357	2.55	654
2008	-	9,630	-	16,254	25,884	3.56	957
2009	-	9,503	-	15,083	24,586	3.22	893
2010	-	9,375	-	13,784	23,159	2.98	773
2011	-	9,242	-	12,484	21,726	2.71	723
2012	-	9,104	-	11,127	20,231	2.44	661
2013	-	-	9,520	9,686	19,206	2.26	621

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)
2004	$ 12,455	$ 5,451	$ 7,004	0.34 %	$ 302
2005	11,660	7,006	4,654	0.21	191
2006	10,820	9,320	1,500	0.06	59
2007	9,920	9,920	-	-	-
2008	8,965	8,965	-	-	-
2009	7,945	7,945	-	-	-
2010	6,855	6,855	-	-	-
2011	5,695	5,695	-	-	-
2012	4,460	4,460	-	-	-
2013	3,145	3,145	-	-	-

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)

	2013	2012	2011	2010
Debt limit	**$ 105,099**	$ 106,895	$ 123,027	$ 143,522
Total net debt applicable to limit	**-**	-	-	-
Legal debt margin	**$ 105,099**	$ 106,895	$ 123,027	$ 143,522
Total net debt applicable to the limit as a percentage of debt limit	**0%**	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value	$ 864,765
Add back: exempt real property	186,227
Total assessed value	1,050,993
Debt limit (10% of total assessed value)	105,099
Debt applicable to limit:	
General obligation debt	3,145
Less: Amount set aside for repayment of general obligation debt	(3,145)
Total net debt applicable to limit	-
Legal debt margin	$ 105,099

2009	2008	2007	2006	2005	2004
$ 146,563	$ 153,591	$ 146,190	$ 106,361	$ 100,826	$ 94,332
-	-	-	1,500	4,654	7,004
$ 146,563	$ 153,591	$ 146,190	$ 104,861	$ 96,172	$ 87,328
0%	0%	0%	1%	5%	7%

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)
2004	23,185	$ 540,164	$ 23,298	N/A	3,520	3.5 %
2005	24,324	606,370	24,929	N/A	3,675	4.5
2006	25,462	679,170	26,674	N/A	3,721	4.1
2007	26,554	679,543	25,591	N/A	3,344	4.2
2008	27,056	727,084	26,873	32.5	3,732	11.1
2009	27,528	763,163	27,723	35.0	3,776	11.3
2010	29,966	776,536	25,914	34.8	3,836	10.8
2011	30,031	801,577	26,692	35.0	3,879	8.8
2012	30,611	828,043	27,051	36.0	4,248	9.1
2013	30,918	850,317	27,502	36.0	3,706	7.3

Data sources:

(1) Bureau of the Census

(2) Federal Bureau of Economic Analysis (amounts expressed in thousands)

(3) School District

(4) State Department of Labor

LUMPKIN COUNTY, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT AND SIX YEARS AGO

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

Sources: State Department of Commerce.

Note: Information prior to 2006 and subsequent to 2012 is not available

LUMPKIN COUNTY, GEORGIA

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Function										
General government	**34**	36	31	32	50	45	57	60	55	49
Public safety									95	90
Sheriff										
Officers	**69**	62	80	84	72	72	68	65	-	-
Civilians	**10**	10	20	8	8	8	8	8	-	-
Emergency	**9**	2	2	2	2	2	-	2	-	-
Fire										
Firefighters and officers	**31**	36	30	34	31	26	22	2	-	-
Civilians	**1**	1	11	1	13	11	14	19	-	-
Judicial	**19**	21	15	24	26	20	20	18	19	20
Public works	**18**	19	23	17	15	22	22	15	18	22
Culture and recreation	**12**	4	5	9	6	11	17	19	13	13
Housing and development	**-**	-	-	1	1	1	1	1	1	1
Total	**203**	191	217	212	224	218	229	209	201	195

Source: County Budget Office

LUMPKIN COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Function										
Sheriff										
Traffic violations	**2,842**	2,534	2,857	3,458	4,072 (2)	N/A	2,992	2,111	2,169	2,245
Fire										
Number of calls answered	**4,292**	4,055	3,800	3,269	3,244	3,426	3,344	3,141	1,893	1,645
Inspections conducted	**192**	30*	12*	N/A	377	637	1,004 (1)	369	215	96
Highways and streets										
Street resurfacing (miles)	**13**	15	10	13	6	6	11	23	5	36
Sanitation										
Refuse collected (tons/day)	**35**	47	42	43	46	45	33	34	26	22
Recyclables collected (tons/day)	**1**	1.5	1	1	N/A	2	1	1	-	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	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government										
Buildings	**16**	16	13	13	13	13	13	13	11	11
Vehicles	**6**	5	5	5	5	5	5	5	4	3
Small equipment	**26**	26	25	25	25	25	24	20	21	21
Public safety										
Buildings	**7**	7	7	7	7	7	6	5	5	5
Vehicles										
Fire/pumper trucks	**14**	14	13	13	13	13	13	13	13	12
Other Fire Dept. vehicles	**9**	6	6	6	6	6	5	5	4	3
Ambulance/rescue	**6**	6	5	4	6	5	5	4	6	6
Sheriffs vehicles	**61**	48	53	51	46	46	39	35	32	25
Other public safety vehicles	**4**	4	3	3	3	3	3	3	2	2
Equipment	**82**	81	79	78	78	69	49	41	40	38
Judicial										
Small equipment	**6**	6	6	6	6	6	6	6	15	15
Public works										
Buildings	**3**	3	3	3	3	3	3	3	2	2
Vehicles										
Road Department	**11**	11	11	10	11	11	15	20	24	24
Building Inspector	**6**	6	6	6	6	6	6	6	5	5
Other	**3**	3	3	3	3	3	3	2	2	1
Small equipment	**5**	5	5	5	5	5	1	1	-	-
Heavy equipment	**34**	34	35	34	33	35	35	35	30	29
Health and welfare										
Buildings	**3**	3	3	3	2	2	2	2	2	2
Culture and recreation										
Buildings	**5**	5	5	5	5	5	5	5	5	5
Vehicles	**4**	3	4	4	4	5	5	5	4	4
Equipment	**13**	13	13	13	13	11	10	10	10	8

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, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lumpkin County, Georgia (the "County") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 22, 2014. Our report includes a reference to other auditors who audited the financial statements of the Lumpkin County Department of Public Health and the Development Authority of Lumpkin County, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses, as items 2013-001 through 2013-005, to be material weaknesses.

Compliance and Other Matters

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

Lumpkin County, Georgia's Response to Findings

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

Purpose of this Report

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



Atlanta, Georgia
May 22, 2014

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified	
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

An audit of federal awards was not performed for the County's year ended December 31, 2013 as the expenditures of federal awards did not exceed the $500,000 threshold.

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2013 – 001 Revenues and Related Balance Sheet Accounts

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

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

Context/Cause: During our testing, an audit adjustment in the General Fund of approximately $366,000 was required to recognize intergovernmental revenues that had met the revenue recognition criteria during the year ended December 31, 2013. The resources related to this voluntary nonexchange transaction were collected by the County during the prior year and were properly reported as deferred inflows of resources as of December 31, 2012; however, the County did not make the necessary entries to recognize the amounts as revenue for 2013 and thus an audit entry was required to properly recognize the revenues and remove the deferred inflows of resources from the General Fund's balance sheet.

Effects: An audit adjustment totaling approximately $366,000 was needed to correctly report revenues and related balance sheet accounts in the General Fund for the year ended December 31, 2013.

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 balance sheet accounts are properly recorded.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-002 Expenses Recognition and Related Balance Sheet Account Reporting (Lumpkin County Water & Sewerage Authority)

Criteria: Generally, expenses should be recognized as soon as a liability is incurred, regardless of the timing of the related cash flows, in accordance with generally accepted accounting principles (GAAP).

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

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

- To properly accrue payroll and personnel expenses for amounts incurred during the year ended December 31, 2013, adjustments totaling approximately $1,900 were required.
- To correct inventory balances for materials that were consumed during the year, adjustments totaling approximately $12,700 were required.
- To correct the balance owed to Lumpkin County for administrative services provided by the County to the Authority, adjustments totaling approximately $11,800 were required.
- To reduce expenses for claims payable that were previously accrued as expenses of prior periods, an adjustment of $5,000 was required.
- To properly record a prepaid asset for insurance premiums paid in advance of the coverage period, adjustments totaling approximately $6,900 were required.
- To correct accrued compensated absences payable at year-end for amounts owed to employees, adjustments totaling approximately $1,400 were required.
- To properly record construction in progress and reduce expenses for costs incurred related to an infrastructure project, adjustments totaling approximately $22,600 were required.
- To accrue interest payable on the Authority's outstanding long-term debt, an adjustment of approximately $3,100 was required.

Effects: Audit adjustments totaling approximately $65,400 were required to properly report expenses and related assets and liabilities of the Authority as of and for the year ended December 31, 2013.

Recommendation: We recommend the Authority carefully review all expenses and the related balance sheet accounts to ensure all transactions are reported in the proper period in accordance with GAAP.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure all amounts are properly recorded in accordance with GAAP.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-003 Financial Closeout and Reporting (Lumpkin County Water & Sewerage Authority)

Criteria: Internal controls should be in place to ensure the Authority can perform timely and accurate financial closeout procedures in order for the Authority to produce its monthly and annual financial statements.

Condition: Internal controls were not sufficient to detect certain misstatements in the preparation of year-end adjustments and reconciliations.

Context/Cause: During the course of our testing, certain audit adjustments were required to correct year-end balances of the Authority due to errors incurred during the financial closeout procedures. The nature of these errors and the audit adjustments required are as follows:

- When attempting to accrue items as accounts payable, management of the Authority improperly recorded the items as reductions to the Authority's cash balances and as such, audit adjustments totaling approximately $17,600 were required to properly report the items as accounts payable in the liabilities section of the balance sheet.
- When attempting to record the year-end adjustment for payroll, management of the Authority improperly recorded the items as reductions to the Authority's cash balances and as such, audit adjustments totaling approximately $8,800 were required to properly report the items as accrued liabilities.
- Management of the Authority did not make the necessary entries to record capital asset and depreciation activity for 2013 and as such, audit adjustments totaling approximately $199,600 were required to record adjustments to capital assets and depreciation expense for the year.
- Management of the Authority did not prepare a complete reconciliation of its main operating cash account (the Revenue Fund) as of December 31, 2013. The reconciled bank balance did not agree to the general ledger and as such, audit adjustments totaling approximately $23,800 were required. Furthermore, it is noted that after these adjustments, there was still an unreconciled difference in the Authority's cash accounts of approximately $1,900.

Effects: Audit adjustments totaling approximately $249,800 were required to correct current year balances. Furthermore, while the amount is not material and did not require an audit adjustment, the Authority should ensure that it is performing complete reconciliations of its cash balances on a monthly basis and any unreconciled differences should be investigated and resolved immediately.

Recommendation: We recommend the Authority carefully review all its closeout procedures to ensure all transactions are reported in the proper period and in accordance with GAAP.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure all amounts are properly recorded in accordance with GAAP.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-004 Long-term Debt and Related Items (Lumpkin County Water & Sewerage Authority)

Criteria: Internal controls should be in place to ensure the long-term borrowing activities of the Authority are properly reported in the Authority's financial statements in accordance with generally accepted accounting principles (GAAP).

Condition: Internal controls were not sufficient to detect certain misstatements in the reporting of long-term debt and related items.

Context/Cause: During the course of our testing, certain audit adjustments were required to correct the long-term debt activity of the Authority for the year ended December 31, 2013. The nature and magnitude of the adjustments are as follows:

- To reclassify principal repayments on the Authority's debt from expenses to reductions of the liabilities, audit adjustments of approximately $240,300 were required. These misstatements resulted from the Authority improperly recording current year activity in the income statement rather than as reductions to the previously existing long-term liabilities.
- To record the deferred charges that resulted from the refunding transaction undertaken by the Authority in 2013, an adjustment of $62,000 was required to reclassify amounts from the income statement to the balance sheet. Furthermore, an adjustment of approximately $8,100 was required to record current year amortization expense on the deferred charges.

Effects: Audit adjustments totaling approximately $310,400 were required to properly report the long-term debt and related items of the Authority in accordance with GAAP for the year ended December 31, 2013.

Recommendation: We recommend the Authority carefully review its long-term debt activity to ensure all transactions are reported in the proper period and in accordance with GAAP.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure all amounts are properly recorded in accordance with GAAP.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-005 Segregation of Duties (Lumpkin County Water & Sewerage Authority)

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

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

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

- Currently, there is not a proper segregation of duties among those who initiate journal entries, approve journal entries, and post journal entries to the general ledger.
- Subsequent to the previous office manager's separation from employment at the Authority in October 2013, there were approximately two (2) months during which the Director of the Authority was performing all duties related to the payroll and accounts payable functions.
- Currently, there is not a policy in place requiring the purchase card (P-Card) usage of the Director to be reviewed and approved by another individual or the Board of Directors.

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

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

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

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable