LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2014

Prepared By:
The Lumpkin County Office of Financial Administration

INTRODUCTORY SECTION

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Table of Contents	i-iii
Letter of Transmittal	iv-viii
List of Officials	ix
Organizational Chart	x
FINANCIAL SECTION	
Independent Auditor's Report	1-4
Management's Discussion and Analysis	5-14
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15 and 16
Statement of Activities	17 and 18
Fund Financial Statements:	
Balance Sheet – Governmental Funds	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position – Proprietary Fund	22
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund	23
Statement of Cash Flows – Proprietary Fund	24
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	25
Notes to Financial Statements	26-58
Required Supplementary Information:	
General Fund – Budgetary Comparison Schedule – GAAP Basis	59 and 60
Schedule of Funding Progress	61
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	62 and 63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	64 and 65

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

TABLE OF CONTENTS

FINANCIAL SECTION (Continued) **Page**

Combining and Individual Fund Statements and Schedules (Continued):

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

Law Library Fund– Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 67

Emergency Telephone System Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 68

Juvenile Services Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 69

Confiscated Assets Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 70

Special Programs Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 71

Public Defender Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 72

Technology Fee Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 73

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

Hotel/Motel Tax Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 75

Planning Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 76

Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 77

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds 78

Combining Statement of Assets and Liabilities – Agency Funds 79

Statement of Changes in Assets and Liabilities – Agency Funds ..... 80 and 81

Statement of Cash Flows – Component Unit – Hospital Authority 82

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

TABLE OF CONTENTS

STATISTICAL SECTION

Financial Trends:

Net Position by Component 83
Changes in Net Position 84
Fund Balances of Governmental Funds ..... 85 and 86
Changes in Fund Balances of Governmental Funds ..... 87 and 88
General Governmental Tax Revenues by Source 89

Revenue Capacity:

Assessed Value and Estimated Actual Value - All Taxable Property ..... 90 and 91
Direct and Overlapping Property Tax Rates 92
Principal Property Taxpayers 93
Property Tax Levies and Collections 94

Debt Capacity:

Ratios of Outstanding Debt by Type 95
Ratios of General Obligation Debt Outstanding 96
Legal Debt Margin Information ..... 97 and 98

Demographic and Economic Information:

Demographic and Economic Statistics 99
Principal Employers 100

Operating Information:

Full-Time Equivalent County Government Employees by Function 101
Operating Indicators by Function 102
Capital Asset Statistics by Function 103

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 104-106
Schedule of Findings and Responses 107-112

June 5, 2015

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, 2014.

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, 2014, 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, 2014, 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 35% over the past ten years with a current 2014 census population estimate of 31,176.

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 2014, Lumpkin County was awarded six grants for personnel, renovations and equipment totaling $797,509 and a grant from ACCG for a wellness program for employees.

Other accomplishments during the year include:

- Resurfacing approximately 24 lane miles of County roads, using a combination of Federal, State, and local money.
- Completion of site work for Fire Station 7 – Frogtown.
- Opened Fire Station 8 - Blackburn.
- Purchased new equipment for Road Department.
- Completed 2 joint projects with the City of Dahlonega.
- Completion of renovations to Community Center.
- Completion phase 4 of the Federal Highway Administration Minimum Maintained Retroreflectivity Levels requirement.

Financial Policies

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

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

Acknowledgements

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

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

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

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

Respectfully submitted,

Stanley J. Kelley
County Manager

C. Allison Martin
Director of Finance

OFFICIALS OF
LUMPKIN COUNTY, GEORGIA

COMMISSIONER'S OFFICE

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**

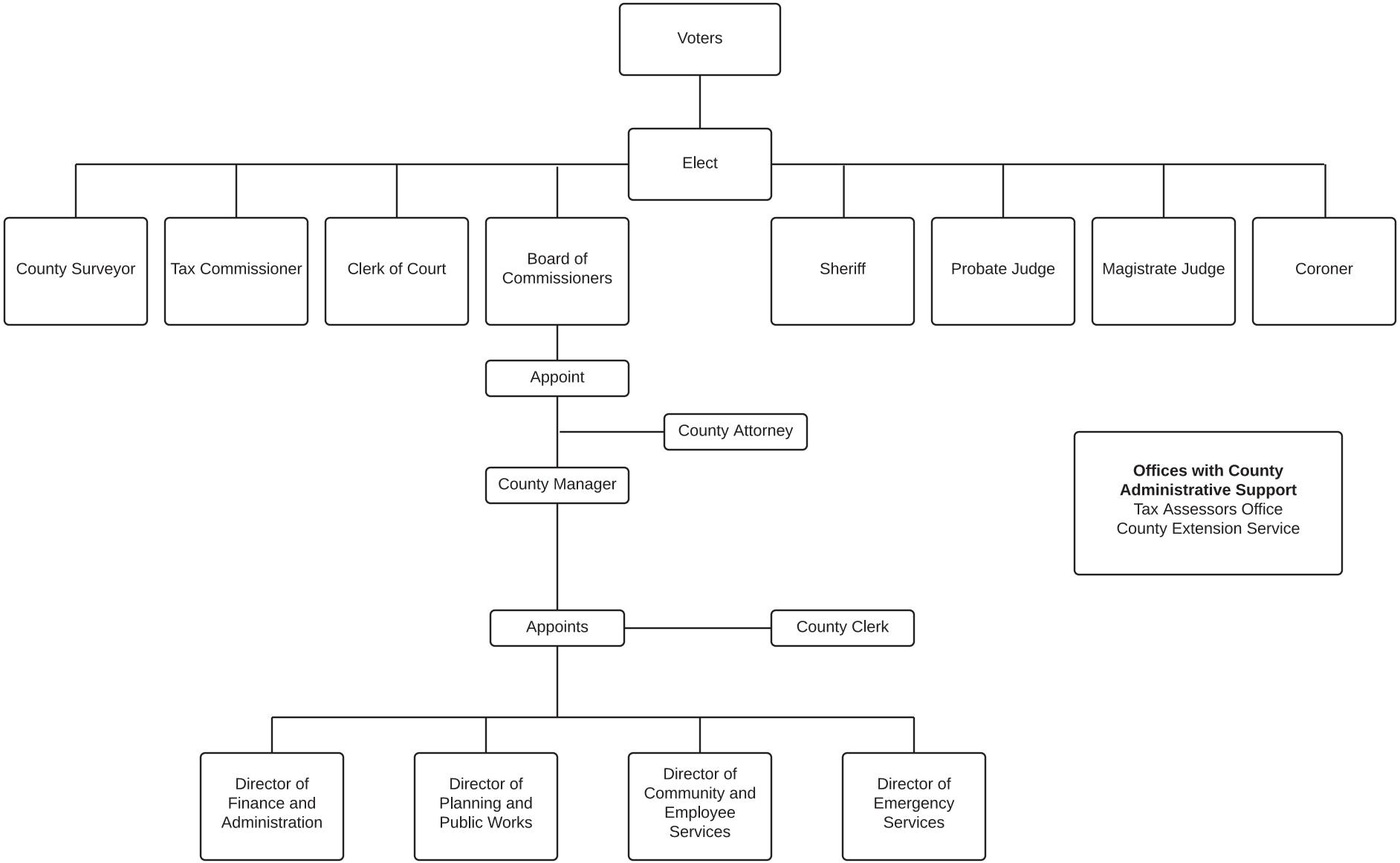
DEPARTMENT DIRECTORS

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

JUDICIAL & OTHER ELECTED OFFICIALS

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

Organizational Chart - County-wide



FINANCIAL SECTION

MAULDIN & JENKINS

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, 2014, and the related notes to the financial statements, which collectively comprise Lumpkin County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lumpkin County Department of Public Health or the Development Authority of Lumpkin County, which represents 26 percent, 17 percent, and 39 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, 2014, 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 59 through 61) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lumpkin County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, as 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 June 5, 2015, on our consideration of Lumpkin County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 5, 2015

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, 2014. 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, 2014.

Financial Highlights

- Lumpkin County's governmental activities exceeded its liabilities at December 31, 2014 by $75.6 million (*net position*). Of this amount, $7.4 million (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of December 31, 2014, the governmental funds of Lumpkin County reported combined ending fund balances of $13.0 million, a decrease of $1.2 million in comparison with the prior year. Approximately 38.68% of this amount, $5.0 million, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of 2014, unassigned fund balance for the general fund was $5.1 million, or 31.48% 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 2014, the Debt Service Fund had accumulated $3.8 million toward the goal of retiring the 2001 issue.
- During 2014, Lumpkin County made principal and interest payments totaling $1.4 million on the Public Building Authority Issue, Series 2001. These payments reduced the outstanding principal to $1.74 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 Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting
Type of asset/ liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the County's funds do not currently contain capital assets, although they can
Type of inflow / outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All receipts and disbursements during year, regardless of when cash is received or paid

Government-wide Statements

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

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

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

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

Fund Financial Statements

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

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

The County has three kinds of funds:

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

Financial Analysis of the County as a Whole

Net position. As discussed earlier, net position may serve as a useful indicator of a government's financial position. As of December 31, 2014, the County's net position was $75.9 million, which is an increase of approximately $.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 2014 and 2013.

TABLE B

LUMPKIN COUNTY, GEORGIA'S NET POSITION
December 31, 2014 and 2013
($ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2014	2013	2014	2013	2014	2013
CURRENT AND OTHER ASSETS*	$24,150	$24,917	$5	$5	$24,155	$24,922
CAPITAL ASSETS (net of depreciation)	78,589	79,105	648	663	79,237	79,768
TOTAL ASSETS	102,739	104,022	653	668	103,392	104,690
LONG-TERM LIABILITIES	17,409	19,552	418	440	17,827	19,992
OTHER LIABILITIES*	9,710	9,372	3	7	9,713	9,369
TOTAL LIABILITIES	27,119	28,924	421	447	27,540	29,361
NET POSITION:						
NET INVESTMENT IN CAPITAL ASSETS	62,155	60,580	648	663	62,803	61,243
RESTRICTED FOR DEBT SERVICE	3,943	5,458	0	0	3,943	5,458
RESTRICTED FOR CAPITAL PROJECTS	1,873	825	0	0	1,873	825
RESTRICTED FOR PUBLIC SAFETY ACTIVITIES	133	148	0	0	133	148
RESTRICTED FOR LAW LIBRARY OPERATIONS	56	77	0	0	56	77
RESTRICTED FOR JUDICIAL ACTIVITIES	109	120	0	0	109	120
RESTRICTED FOR TOURISM	1	1	0	0	1	1
UNRESTRICTED	7,350	7,889	(416)	(442)	6,934	7,447
TOTAL NET POSITION	$75,620	$75,098	$232	$221	$75,852	$75,319

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

A significant portion (82.8%) of the net position represents the *net investment in capital assets*. This includes land, buildings, machinery and equipment, and infrastructure assets, offset with associated long-term debt liabilities. Capital assets are restricted for the purpose of providing services to the citizens of Lumpkin County; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Other restricted net position components represent resources that are subject to external restrictions on how they may be used and total 8.1% of the total. Included in this category are unspent SPLOST proceeds for Debt Service Reserves (5.2% of the total), funds restricted for capital projects (2.48% of the total), public safety activities (0.18% of the total), law library activities (0.1% of the total), and judicial activities (0.14% of the total).

The remaining 9.1% 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 2014 and 2013 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, 2014 and 2013
($ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2014	2013	2014	2013	2014	2013
REVENUES:						
PROGRAM REVENUES:						
CHARGES FOR SERVICES	$4,334	$4,186	$32	$45	$4,366	$4,231
OPERATING GRANTS & CONTRIBUTIONS	1,148	978	0	0	1,148	978
CAPITAL GRANTS & CONTRIBUTIONS	426	748	0	0	426	748
GENERAL REVENUES:						
PROPERTY TAXES	9,595	9,553			9,595	9,553
SALES TAXES	5,468	5,191			5,468	5,191
OTHER TAXES	1,442	1,369			1,442	1,369
UNRESTRICTED INVESTMENT EARNINGS	45	161			45	161
GAIN ON SALE OF CAPITAL ASSETS	0	0	0	0	0	0
TOTAL REVENUES	22,458	22,186	32	45	22,490	22,231
EXPENSES:						
GENERAL GOVERNMENT	3,900	3,964			3,900	3,964
PUBLIC SAFETY	9,691	9,151			9,691	9,151
JUDICIAL SYSTEM	2,372	2,119			2,372	2,119
PUBLIC WORKS	2,960	2,688			2,960	2,688
HEALTH & WELFARE	667	628			667	628
CULTURE & RECREATION	1,336	1,235			1,336	1,235
HOUSING & DEVELOPMENT	412	432			412	432
INTEREST	519	473			519	473
SOLID WASTE	0	0	100	109	100	109
TOTAL EXPENSES	21,857	20,690	100	109	21,957	20,799
INCREASE IN NET POSITION BEFORE TRANSFERS	601	1,496	(68)	(64)	533	1,432
TRANSFERS	(79)	(48)	79	48	(0)	(0)
INCREASE (DECREASE) IN NET POSITION	522	1,448	11	(16)	533	1,432
NET POSITION, BEGINNING OF YEAR	75,098	73,650	221	237	75,319	73,887
NET POSITION, END OF YEAR	$75,620	$75,098	$232	$221	$75,852	$75,319

Governmental Activities: Governmental activities accounted for $.5 million of the excess in the County's net revenues over expenses for 2014 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 2014, Lumpkin County Governmental Funds reported a combined fund balance of $13.0 million. This amount was down $1.2 million from 2013. Of the total combined fund balance, approximately 38.7% 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 46.8% of the combined total.

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

General Fund. The General Fund of Lumpkin County accounts for all transactions not accounted for in other funds. As the County's major operating fund, the General Fund accounts for ordinary operating expenditures financed primarily by property taxes and charges for services. The General Fund completed the year with a fund balance of $6.9 million. This was a decrease from the previous year. Of the $6.9 million, 73.75% is unassigned while the remaining 26.25% is non-spendable or assigned.

Debt Service. The Debt Service Fund accounts for the 2002 Special Purpose Local Option Sales Tax (SPLOST) money, including earned interest, which is reserved for retiring the Lumpkin County Public Building Authority Issue, Series 2001. This issue had an original principal balance of $15.75 million and at December 31, 2014 had an outstanding principal balance of $1.74 million. The fund balance of the Debt Service Fund is $3.9 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, 2014 the fund balance of this fund was $1.9 million.

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

Enterprise Fund. The Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises - where the costs (expenses, including depreciation) of providing goods or services to the general public are being financed or recovered primarily through user charges on a continuing basis. The Solid Waste Fund is the County's single enterprise fund. Total net position of the enterprise fund at the end of 2014 was $232 thousand, representing an increase of $11 thousand due largely to transfers from the general fund.

General Fund Budgetary Highlights

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

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

Even with these adjustments, actual expenditures were $52 thousand above final budget amounts.

Capital Assets and Debt Administration

Capital Assets

At the end of 2014, the County had acquired $79 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.
- There was no increase in capital assets, net of accumulated depreciation, for the current fiscal year. The percentage decrease in capital assets was 0.65%.
- 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 $104 million in 2014. The County currently has $1.74 million subject to the limitation.

At December 31, 2014, Lumpkin County had the following outstanding long-term debt:

- $17.1 million in notes payable.
- $334 thousand in compensated absences.
- $ 9 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 2014, with minimal growth in the business sector. New housing starts were up in the County during 2014, 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 2015 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 2015 as the value of the digest continues to decline. The budget increased by $771 thousand, largely due to the County utilizing fund balance to purchase equipment and perform construction projects, 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, 2014

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 16,686,016	$ -	$ 16,686,016
Investments	3,256,145	-	3,256,145
Receivables (net of allowance for uncollectibles)	2,686,436	2,700	2,689,136
Prepaid items	758,169	1,379	759,548
Inventories	129,475	-	129,475
Internal balances	(1,142)	1,142	-
Due from primary government	-	-	-
Due from component units	1,972	-	1,972
Capital assets, nondepreciable	36,285,905	192,103	36,478,008
Capital assets, depreciable, net of accumulated depreciation	42,302,646	456,032	42,758,678
Total assets	102,105,622	653,356	102,758,978
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	633,189	-	633,189
Total deferred outflows of resources	633,189	-	633,189
LIABILITIES			
Accounts payable	930,523	2,155	932,678
Accrued liabilities	606,830	1,608	608,438
Customer deposits	-	-	-
Due to primary government	-	-	-
Due to component units	56,909	-	56,909
Noncurrent liabilities due within one year			
Compensated absences	333,556	-	333,556
Landfill closure and postclosure	-	22,000	22,000
Notes payable	683,696	-	683,696
Bonds payable	610,000	-	610,000
Noncurrent liabilities due in more than one year			
Net pension obligation	8,747	-	8,747
Compensated absences payable	-	-	-
Landfill closure and postclosure	-	396,000	396,000
Notes payable	7,467,444	-	7,467,444
Bonds payable	8,305,425	-	8,305,425
Total liabilities	19,003,130	421,763	19,424,893
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues - property taxes	7,722,535	-	7,722,535
Unearned revenues - intergovernmental	393,041	-	393,041
Total deferred inflows of resources	8,115,576	-	8,115,576
NET POSITION			
Net investment in capital assets	62,155,175	648,135	62,803,310
Restricted for:			
Debt service	3,943,267	-	3,943,267
Capital projects	1,872,801	-	1,872,801
Public safety activities	132,954	-	132,954
Law library operations	55,631	-	55,631
Judicial activities	109,725	-	109,725
Tourism	887	-	887
Unrestricted	7,349,665	(416,542)	6,933,123
Total net position	$ 75,620,105	$ 231,593	$ 75,851,698

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

Component Units			
Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
$ 327,334	$ 645,397	$ 284,259	$ 260,759
-	-	1,193,251	-
54,509	-	10,156	118,602
-	3,933	-	16,365
-	-	-	23,134
-	-	-	-
-	-	-	56,909
-	-	-	-
-	203,915	-	329,255
4,282	1,079,098	-	4,186,104
386,125	1,932,343	1,487,666	4,991,128
-	-	-	76,532
-	-	-	76,532
6,732	35,918	-	89,028
-	3,306	-	20,641
-	-	-	93,225
-	74	-	1,898
-	-	-	-
23,884	-	-	5,497
-	-	-	-
-	57,682	-	23,347
-	-	-	263,187
-	-	-	-
-	-	-	-
-	-	-	-
-	1,276,074	-	261,798
-	-	-	1,442,297
30,616	1,373,054	-	2,200,918
-	-	-	-
-	-	-	-
4,282	(50,743)	-	2,601,262
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
351,227	610,032	1,487,666	265,480
$ 355,509	$ 559,289	$ 1,487,666	$ 2,866,742

LUMPKIN COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

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	$ 3,900,110	$ 764,161	$ 204,889	$ -
Judicial	2,372,239	999,598	450,064	-
Public safety	9,690,427	2,184,082	265,986	-
Public works	2,960,011	600	21,000	425,653
Health and welfare	666,431	27,046	205,710	-
Culture and recreation	1,336,145	232,697	-	-
Housing and development	412,338	125,671	-	-
Interest on long-term debt	518,710	-	-	-
Total governmental activities	21,856,411	4,333,855	1,147,649	425,653
Business-type activities:				
Solid waste management	99,787	31,780	-	-
Total business-type activities	99,787	31,780	-	-
Total primary government	$ 21,956,198	$ 4,365,635	$ 1,147,649	$ 425,653
Component units:				
Health Department	$ 751,190	$ 269,496	$ 526,612	$ -
Development Authority	228,945	156,000	-	-
Hospital Authority	82,045	-	-	-
Water and Sewerage Authority	930,203	1,068,142	-	281,677
Total component units	$ 1,992,383	$ 1,493,638	$ 526,612	$ 281,677
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Other taxes				
Unrestricted net investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
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
$ (2,931,060)	$ -	$ (2,931,060)	$ -	$ -	$ -	$ -
(922,577)	-	(922,577)	-	-	-	-
(7,240,359)	-	(7,240,359)	-	-	-	-
(2,512,758)	-	(2,512,758)	-	-	-	-
(433,675)	-	(433,675)	-	-	-	-
(1,103,448)	-	(1,103,448)	-	-	-	-
(286,667)	-	(286,667)	-	-	-	-
(518,710)	-	(518,710)	-	-	-	-
(15,949,254)	-	(15,949,254)	-	-	-	-
-	(68,007)	(68,007)	-	-	-	-
-	(68,007)	(68,007)	-	-	-	-
(15,949,254)	(68,007)	(16,017,261)	-	-	-	-
-	-	-	44,918	-	-	-
-	-	-	-	(72,945)	-	-
-	-	-	-	-	(82,045)	-
-	-	-	-	-	-	419,616
-	-	-	44,918	(72,945)	(82,045)	419,616
9,595,364	-	9,595,364	-	-	-	-
5,467,895	-	5,467,895	-	-	-	-
1,211,760	-	1,211,760	-	-	-	-
230,635	-	230,635	-	-	-	-
44,884	-	44,884	-	98	137,636	-
-	-	-	526	535	-	-
(79,052)	79,052	-	-	-	-	-
16,471,486	79,052	16,550,538	526	633	137,636	-
522,232	11,045	533,277	45,444	(72,312)	55,591	419,616
75,097,873	220,548	75,318,421	310,065	631,601	1,432,075	2,447,126
$ 75,620,105	$ 231,593	$ 75,851,698	$ 355,509	$ 559,289	$ 1,487,666	$ 2,866,742

LUMPKIN COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

ASSETS	General	Debt Service	SPLOST	Nonmajor Governmental Funds	Total
Cash and cash equivalents	$ 12,932,372	$ 826,577	$ 2,271,628	$ 655,439	$ 16,686,016
Investments	-	3,256,145	-	-	3,256,145
Receivables (net of allowance for uncollectibles)	2,142,267	39,270	277,283	227,616	2,686,436
Inventories	129,475	-	-	-	129,475
Due from other funds	599,674	-	-	287,889	887,563
Due from component units	1,972	-	-	-	1,972
Prepaid items	677,746	-	-	80,423	758,169
Total assets	$ 16,483,506	$ 4,121,992	$ 2,548,911	$ 1,251,367	$ 24,405,776
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 561,428	$ -	$ 44,005	$ 325,090	$ 930,523
Other accrued liabilities	525,077	-	-	-	525,077
Due to component units	-	-	56,909	-	56,909
Due to other funds	289,031	-	575,196	24,478	888,705
Total liabilities	1,375,536	-	676,110	349,568	2,401,214
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	746,155	15,635	-	10,070	771,860
Unearned revenue - property taxes	7,448,522	178,725	-	95,288	7,722,535
Unavailable revenue - other	43,913	-	-	37,643	81,556
Unearned revenue - intergovernmental	-	-	-	393,041	393,041
Total deferred inflows of resources	8,238,590	194,360	-	536,042	8,968,992
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	677,746	-	-	80,423	758,169
Inventories	129,475	-	-	-	129,475
Restricted for:					
Debt service	-	3,927,632	-	-	3,927,632
Capital projects	-	-	1,872,801	-	1,872,801
Public safety activities	-	-	-	132,954	132,954
Law library operations	-	-	-	55,631	55,631
Judicial activities	-	-	-	109,725	109,725
Tourism	-	-	-	887	887
Assigned for:					
Fire station construction	375,000	-	-	-	375,000
Equipment purchases	621,068	-	-	-	621,068
Capital projects	-	-	-	10,666	10,666
Unassigned	5,066,091	-	-	(24,529)	5,041,562
Total fund balances	6,869,380	3,927,632	1,872,801	365,757	13,035,570
Total liabilities, deferred inflows of resources and fund balances	$ 16,483,506	$ 4,121,992	$ 2,548,911	$ 1,251,367	

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.	78,588,551
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	853,416
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(16,848,685)
Net pension obligation that is not due and payable in the current period and, therefore, not reported in governmental funds.	(8,747)
Net position of governmental activities	$ 75,620,105

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, 2014

	General	Debt Service	SPLOST	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	$ 12,931,029	$ 202,112	$ 3,048,694	$ 257,995	$ 16,439,830
Licenses and permits	41,167	-	-	121,484	162,651
Fines and forfeitures	504,429	-	-	92,669	597,098
Charges for services	2,819,647	-	-	564,588	3,384,235
Interest income	17,229	27,309	5,090	346	49,974
Intergovernmental	612,019	-	-	868,123	1,480,142
Contributions and donations	34,420	-	-	50,646	85,066
Other	185,401	-	-	460	185,861
Total revenues	17,145,341	229,421	3,053,784	1,956,311	22,384,857
Expenditures:					
Current:					
General government	3,370,224	-	550	3,714	3,374,488
Judicial	1,613,902	-	-	760,678	2,374,580
Public safety	7,981,199	-	1,617	1,200,942	9,183,758
Public works	1,245,113	-	28,829	6,861	1,280,803
Health and welfare	631,969	-	-	615	632,584
Culture and recreation	1,123,838	-	-	-	1,123,838
Housing and development	68,652	-	-	346,498	415,150
Intergovernmental	-	-	775,299	-	775,299
Capital outlay	-	-	990,050	660,794	1,650,844
Debt service:					
Principal	48,806	1,485,944	600,000	-	2,134,750
Interest	70,235	256,689	187,978	-	514,902
Total expenditures	16,153,938	1,742,633	2,584,323	2,980,102	23,460,996
Excess (deficiency) of revenues over expenditures	991,403	(1,513,212)	469,461	(1,023,791)	(1,076,139)
Other financing sources (uses):					
Proceeds from the sale of capital assets	2,000	-	-	-	2,000
Transfers in	3,926	-	577,894	1,517,692	2,099,512
Transfers out	(1,774,753)	-	-	(403,811)	(2,178,564)
Total other financing sources (uses)	(1,768,827)	-	577,894	1,113,881	(77,052)
Net change in fund balances	(777,424)	(1,513,212)	1,047,355	90,090	(1,153,191)
Fund balances, beginning of year	7,646,804	5,440,844	825,446	275,667	14,188,761
Fund balances, end of year	$ 6,869,380	$ 3,927,632	$ 1,872,801	$ 365,757	$ 13,035,570

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, 2014

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(1,153,191)
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.		(510,669)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(5,428)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		57,361
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.		2,134,750
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.		(591)
Change in net position - governmental activities	$	522,232

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2014

	Solid Waste Management Fund
ASSETS	
Current assets:	
Receivables	$ 2,700
Due from other funds	1,142
Prepaid items	1,379
Total current assets	5,221
Noncurrent assets:	
Capital assets:	
Capital assets, not being depreciated	192,103
Capital assets, being depreciated	1,029,561
Less accumulated depreciation	(573,529)
Total capital assets, net of accumulated depreciation	648,135
Total assets	653,356
LIABILITIES	
Current liabilities:	
Accounts payable	2,155
Other accrued liabilities	1,608
Landfill postclosure, current	22,000
Total current liabilities	25,763
Long-term liabilities:	
Landfill postclosure	396,000
Total long-term liabilities	396,000
Total liabilities	421,763
NET POSITION	
Investment in capital assets	648,135
Unrestricted	(416,542)
Total net position	$ 231,593

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, 2014

	Solid Waste Management Fund
OPERATING REVENUES	
Charges for services	$ 31,780
Total operating revenues	31,780
OPERATING EXPENSES	
Salaries and benefits	31,314
Supplies and maintenance	43,892
Depreciation expense	24,581
Total operating expenses	99,787
Operating loss before transfers	(68,007)
Transfers in	79,052
Change in net position	11,045
NET POSITION, beginning of year	220,548
NET POSITION, end of year	$ 231,593

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, 2014

	Solid Waste Management Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 33,371
Payments to suppliers and service providers	(73,253)
Payments to employees	(29,706)
Net cash used in operating activities	(69,588)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(9,464)
Net cash used in capital and related financing activities	(9,464)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer in from other funds	79,052
Net cash provided by noncapital financing activities	79,052
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	$ (68,007)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	24,581
Decrease in receivables	1,591
Increase in due from other funds	(1,142)
Increase in prepaids	(938)
Decrease in accounts payable	(5,281)
Increase in other accrued liabilities	1,608
Decrease in landfill postclosure care costs	(22,000)
Net cash used in operating activities	$ (69,588)

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2014

	Agency Funds
ASSETS	
Cash	$ 970,862
Taxes receivable	2,351,833
Accounts receivable	20,640
Total assets	$ 3,343,335
LIABILITIES	
Due to others	$ 991,502
Uncollected taxes	2,351,833
Total liabilities	$ 3,343,335

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 non-operating revenues and expenses.

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

D. Deposits and Investments

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

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

E. Receivables and Payables

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

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 $16,848,685 difference are as follows:

Notes payable	$	(8,151,140)
Revenue bonds payable		(8,880,000)
Premium on issuance of revenue bonds		(35,425)
Deferred loss on refunding		633,189
Accrued interest payable		(81,753)
Compensated absences		(333,556)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(16,848,685)

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 $510,669 difference are as follows:

Capital outlay	$	1,736,687
Depreciation expense		(2,247,356)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(510,669)

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 decrease net position." The details of this $5,428 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.	$	(20,905)
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.		15,477
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(5,428)

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 $2,134,750 difference are as follows:

Principal repayments of revenue bonds	$	600,000
Principal repayments of notes payable		1,534,750
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	2,134,750

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 $591 difference are as follows:

Compensated absences	$	(11,378)
Net pension obligation		14,595
Amortization of original issue premium		4,973
Amortization of deferred charges on refunding		(48,706)
Accrued interest		39,925
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(591)

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, 2014. The fund deficits will be reduced through availability of revenues, lower expenditures, and General Fund appropriations, as needed.

Fund	Deficit
Multiple Grant Fund	$ 4,180
Planning Fund	10,259

C. Excess Expenditures Over Appropriations

For the year ended December 31, 2014 expenditures exceeded the budget in the funds and General Fund departments as follows:

Fund/Department	Excess
General Fund - Superior Court	$ 17,789
General Fund - Magistrate Court	6,949
General Fund - Fire	292,606
General Fund - Sheriff	132,482
General Fund - Coroner	5,539
General Fund - Community Services	28,816
Debt Service Fund	2,687
Drug Rehabilitation Fund	32,993
Law Library Fund	8,269
Emergency Telephone System Fund	4,341
Special Programs Fund	16,020
Hotel/Motel Tax Fund	14,083

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

NOTE 4. DEPOSITS AND INVESTMENTS

A. Primary Government

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

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, 2014, the County's deposits were insured and/or collateralized as defined by state statutes and GASB pronouncements.

At December 31, 2014, the County's funds included the following investments:

Investment	Maturity	Rating	Fair Value
Federal Home Loan Banks	December 30, 2015	AAA / AA+	$ 581,470
Federal Farm Credit Banks	December 7, 2016	AAA / AA+	2,674,675
			$ 3,256,145

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

B. Component Unit – Health Department

Custodial credit risk. As of June 30, 2014, the Health Department had no uninsured or uncollateralized deposits.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

C. Component Unit – Development Authority

Custodial credit risk. As of December 31, 2014, the Development Authority had no uninsured deposits.

D. Component Unit – Hospital Authority

As of December 31, 2014, the Hospital Authority had the following investments:

Investment	Maturity	Rating (S&P)	Fair Value
GA Municipal Association COP	December 1, 2023	AA	$ 106,816
Federal Farm Credit Bank	March 21, 2028	AA+	193,392
Federal Farm Credit Bank	September 15, 2029	AA+	102,405
City of Americus Bonds	June 1, 2030	AA+	123,734
City of Dahlonega Revenue Bonds	July 1, 2030	AA	212,504
Tennessee Valley Authority	July 15, 2033	AA+	120,030
Federal Farm Credit Bank	June 8, 2037	AA+	123,775
Decatur GA School System COP	May 1, 2044	AA-	210,595
	Total		$ 1,193,251

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, 2014, 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, 2014, all of the Water Authority's deposits were collateralized with the depository financial institution.

NOTE 5. RECEIVABLES

A. Primary Government

Receivables at December 31, 2014, 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	$ 1,540,194	$ 35,001	$ 277,283	$ 2,700	$ 32,588
Other governments	324,297	-	-	-	104,232
Accounts	1,237,119	4,269	-	-	90,796
Gross receivables	3,101,610	39,270	277,283	2,700	227,616
Less allowance for uncollectibles	(959,343)	-	-	-	-
Net receivables	$ 2,142,267	$ 39,270	$ 277,283	$ 2,700	$ 227,616

Property taxes for the 2014 fiscal year were levied on September 15, 2013, with property values assessed as of January 1, 2013. Bills are payable on or before November 15, 2013, 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 2014 are to fund operations for the County's fiscal year beginning January 1, 2015. Amounts recorded as a receivable as well as amounts collected as of December 31, 2014 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, 2014:

Receivables:	
Accounts	$ 146,534
Due from Lumpkin County	56,909
Less allowance for uncollectibles	(27,932)
Net total receivables	$ 175,511

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 20,155,947	$ 44,743	$ -	$ -	$ 20,200,690
Infrastructure land improvements	15,472,232	13,225	-	-	15,485,457
Construction in progress	347,214	252,544	-	-	599,758
Total capital assets, not being depreciated	35,975,393	310,512	-	-	36,285,905
Capital assets, being depreciated:					
Buildings and improvements	40,373,133	126,344	-	-	40,499,477
Machinery and equipment	4,225,856	292,462	-	-	4,518,318
Vehicles	4,459,232	158,620	-	-	4,617,852
Infrastructure	19,509,916	864,226	(126,188)	-	20,247,954
Total capital assets, being depreciated	68,568,137	1,441,652	(126,188)	-	69,883,601
Less accumulated depreciation for:					
Buildings and improvements	7,096,489	881,244	-	-	7,977,733
Machinery and equipment	2,926,121	172,117	-	-	3,098,238
Vehicles	2,722,322	319,120	-	-	3,041,442
Infrastructure	12,693,950	874,875	(105,283)	-	13,463,542
Total accumulated depreciation	25,438,882	2,247,356	(105,283)	-	27,580,955
Total capital assets, being depreciated, net	43,129,255	(805,704)	(20,905)	-	42,302,646
Governmental activities capital assets, net	$ 79,104,648	$ (495,192)	$ (20,905)	$ -	$ 78,588,551

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	9,464	-	551,470
Machinery and equipment	134,506	-	-	134,506
Vehicles	52,000	-	-	52,000
Total capital assets, being depreciated	1,020,097	9,464	-	1,029,561
Less accumulated depreciation for:				
Land improvements	282,991	5,148	-	288,139
Buildings and improvements	130,439	12,766	-	143,205
Machinery and equipment	88,718	6,667	-	95,385
Vehicles	46,800	-	-	46,800
Total accumulated depreciation	548,948	24,581	-	573,529
Total capital assets, being depreciated, net	471,149	(15,117)	-	456,032
Business-type activities capital assets, net	$ 663,252	$ (15,117)	$ -	$ 648,135

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	$ 553,759
Public safety	511,269
Public works	936,376
Health and welfare	31,508
Culture and recreation	208,766
Housing and development	5,678
Total depreciation expense - governmental activities	$ 2,247,356

B. Discretely Presented Component Unit – Development Authority

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 203,915	$ -	$ -	$ 203,915
Total	203,915	-	-	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	(278,182)	(28,107)	-	(306,289)
Machinery and equipment	(4,656)	(3,156)	-	(7,812)
Total	(282,838)	(31,263)	-	(314,101)
Total capital assets, being depreciated, net	1,110,361	(31,263)	-	1,079,098
Total capital assets, net	$ 1,314,276	$ (31,263)	$ -	$ 1,283,013

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Water Authority

Capital asset activity for the year ended December 31, 2014 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	288,842	-	311,418
Total	40,413	288,842	-	329,255
Capital assets, being depreciated:				
Infrastructure	6,131,089	-	-	6,131,089
Machinery and equipment	92,782	2,688	(1,881)	93,589
Vehicles	48,489	19,513	-	68,002
Total	6,272,360	22,201	(1,881)	6,292,680
Less accumulated depreciation for:				
Infrastructure	(1,839,080)	(180,180)	-	(2,019,260)
Machinery and equipment	(40,401)	(12,381)	1,881	(50,901)
Vehicles	(28,837)	(7,578)	-	(36,415)
Total	(1,908,318)	(200,139)	1,881	(2,106,576)
Total capital assets, being depreciated, net	4,364,042	(177,938)	-	4,186,104
Total capital assets, net	$ 4,404,455	$ 110,904	$ -	$ 4,515,359

D. Discretely Presented Component Unit – Department of Public Health

Capital asset activity for the year ended June 30, 2014 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	(7,478)	(713)	-	(8,191)
Total accumulated depreciation	(7,478)	(713)	-	(8,191)
Total capital assets, net	$ 4,995	$ (713)	$ -	$ 4,282

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2014, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Nonmajor governmental funds	$ 24,478
General Fund	SPLOST Fund	575,196
Nonmajor governmental funds	General Fund	287,889
Solid Waste Fund	General Fund	1,142

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, 2014 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmental funds	$ 3,926
Solid Waste Fund	General Fund	79,052
Nonmajor governmental funds	General Fund	1,510,984
Nonmajor governmental funds	Nonmajor governmental funds	6,708
SPLOST Fund	General Fund	184,717
SPLOST Fund	Nonmajor governmental funds	393,177

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	$ 74
Lumpkin County General Fund	Water & Sewerage Authority	1,898
Water & Sewerage Authority	Lumpkin County SPLOST Fund	56,909

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Revenue bonds	$ 9,480,000	$ -	$ (600,000)	$ 8,880,000	$ 610,000
Plus: Premium	40,398	-	(4,973)	35,425	-
Total revenue bonds	9,520,398	-	(604,973)	8,915,425	610,000
Notes payable	9,685,890	-	(1,534,750)	8,151,140	683,696
Net pension obligation	23,342	252,031	(266,626)	8,747	-
Compensated absences	322,178	339,058	(327,680)	333,556	333,556
Governmental activities long-term liabilities	$ 19,551,808	$ 591,089	$ (2,734,029)	$ 17,408,868	$ 1,627,252
Business-type Activities:					
Landfill postclosure costs	$ 440,000	$ -	$ (22,000)	$ 418,000	$ 22,000
Business-type activities long-term liabilities	$ 440,000	$ -	$ (22,000)	$ 418,000	$ 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
2015	$ 550,000	$ 73,543	$ 623,543
2016	580,000	45,180	625,180
2017	610,000	15,311	625,311
Total	$ 1,740,000	$ 134,034	$ 1,874,034

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, 2014, was $6,411,140 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
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	150,719	173,482	324,201
2020-2024	825,211	795,796	1,621,007
2025-2029	958,579	662,428	1,621,007
2030-2034	1,113,501	507,506	1,621,007
2035-2039	1,293,462	327,545	1,621,007
2040-2044	1,408,309	119,488	1,527,797
2045	101,679	890	102,569
Total	$ 6,411,140	$ 3,324,259	$ 9,735,399

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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

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

Year ending December 31,	Principal	Interest	Total
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	660,000	125,678	785,678
2020-2024	3,455,000	473,748	3,928,748
2025-2027	2,250,000	109,913	2,359,913
Total	$ 8,880,000	$ 1,338,951	$ 10,218,951

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, 2014, the amount outstanding related to these bonds is $277,115. 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, 2014, the County has 19 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately $418,000 over the 19 year period. These costs are based on what it would cost to perform all post-closure care in 2014, 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, 2014 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	$ 1,390,135	$ -	$ (56,379)	$ 1,333,756	$ 57,682

Note Payable. On August 27, 2013, the Authority issued a note payable to refinance the purchase of property. The note is secured by the real estate and lease receipts and will be repaid over 240 months. The balance outstanding as of December 31, 2014 is $1,333,756. 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
2015	$ 57,682	$ 29,824	$ 87,506
2016	58,930	28,576	87,506
2017	60,370	27,136	87,506
2018	61,762	25,744	87,506
2019	63,186	24,320	87,506
2020-2024	338,341	99,190	437,531
2025-2029	379,268	58,263	437,531
2030-2033	314,217	13,936	328,153
Total	$ 1,333,756	$ 306,989	$ 1,640,745

NOTE 8. LONG-TERM DEBT (CONTINUED)

C. Discretely Presented Component Unit – Water Authority

Long-term debt activity for the year ended December 31, 2014 for the Water Authority is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	$ 1,964,180	$ -	$ (258,696)	$ 1,705,484	$ 263,187
Notes payable	308,486	-	(23,341)	285,145	23,347
Compensated absences	3,293	9,553	(7,349)	5,497	5,497
Total long-term liabilities	$ 2,275,959	$ 9,553	$ (289,386)	$ 1,996,126	$ 292,031

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 $76,532 as of December 31, 2014.

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

Year ending December 31,	Principal	Interest	Total
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	284,065	9,410	293,475
2020-2021	337,851	4,053	341,904
Total	$ 1,705,484	$ 103,795	$ 1,809,279

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
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	12,860	6,148	19,008
2020-2024	70,409	24,627	95,036
2025-2029	81,788	13,248	95,036
2030-2032	45,209	1,793	47,002
Total	$ 285,145	$ 74,585	$ 359,730

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, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 52,382	$ 29,619	$ (58,117)	$ 23,884	$ 23,884

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, 2014 are as follows:

	January 1, 2014	January 1, 2013
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 252,182	$ 257,713
Interest on Net Pension Obligation	1,751	2,124
Amortization of Net Pension Obligation	(1,902)	(2,272)
Annual Pension Cost	$ 252,031	$ 257,565
Derivation of Net Pension Obligation		
Annual Pension Cost for Current Year		$ 252,031
Actual Contributions to Plan for Current Year		266,626
Decrease in Net Pension Obligation		(14,595)
Net Pension Obligation as of December 31, 2013		23,342
Net Pension Obligation as of December 31, 2014		$ 8,747

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Annual Pension Cost (Continued)

Basis of Valuation for Determining Contributions	
Current Valuation Date	January 1, 2014
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	5.0% - 5.5% based on age
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (closed)
Remaining Amortization Period	9

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
1/1/2014	$ 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, 2014.

Trend Information for The Plan				
Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/14	$ 252,031	$ 266,626	105.8 %	$ 8,747
1/1/13	257,565	261,625	101.6	23,342
1/1/12	244,421	244,571	100.1	27,402

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, 2014, the County's covered payroll for employees participating in this plan was $4,465,075 and total payroll was $8,523,700. The County's contribution was $178,603 and employee contributions were $200,480.

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, 2014, the outstanding balance of the loan is $1,333,756. 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, 2014, the County paid $27,242 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 30501

The County participates with Union and Towns Counties in the North Georgia Resource Management Authority. The Authority studied solid waste disposal issues, developed a plan to recycle waste paper and has leased those facilities to private entities. Lumpkin County has an ongoing financial interest and obligation for funding debt service requirements. The participating counties are annually assessed varying amounts to cover the Authority's inability to service its debt. During the year ended December 31, 2014, the County made no payments to the Authority. As of December 31, 2014, the Authority does not have any debt outstanding. Separate financial statements can be obtained from their office at:

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

NOTE 14. HOTEL/MOTEL TAX

The County has levied a 5% lodging tax. During the year ended December 31, 2014, the County collected $132,675 in hotel/motel taxes. For the same year then ended, the hotel/motel tax fund reported expenditures of $132,109, which includes transfers out to the County's General Fund, for the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTE 15. SUBSEQUENT EVENTS

Primary Government

On January 5, 2015, the Development Authority of Lumpkin County and Lumpkin County, Georgia entered into an intergovernmental contract relating to $1,500,000 maximum principal amount Development Authority of Lumpkin County Taxable Industrial Development Revenue Bonds, Series 2015. The bonds will be issued by the Authority to finance the costs of acquiring, constructing and equipping an industrial facility to be occupied by a third party. The bonds will be secured by a pledge of rental payments from the facility's occupant. Additionally, the bonds will further be secured by the intergovernmental contract between the Authority and the County whereby the County agrees, among other things, to make payments to the Authority sufficient, when and to the extent needed, to pay the debt service on the Series 2015 bonds.

NOTE 15. SUBSEQUENT EVENTS (CONTINUED)

Lumpkin County Water and Sewerage Authority

On February 24, 2015, the Water and Sewerage Authority executed a promissory note to the Georgia Environmental Finance Authority (GEFA) to borrow up to $1 million from the Drinking Water State Revolving Fund for the construction of a 500,000 gallon elevated water storage tank. The unpaid principal balance of the note will bear interest at 2.03% and will be payable monthly until the project is completed or January 1, 2018 (whichever is earlier). At that time, the note will be finalized and will enter into its repayment phase whereby principal and interest will be due in two hundred thirty-nine (239) equal monthly installments until the note is fully repaid.

.

REQUIRED SUPPLEMENTARY INFORMATION

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 13,177,081	$ 13,308,265	$ 12,931,029	$ (377,236)
Licenses and permits	30,000	41,211	41,167	(44)
Fines and forfeitures	500,100	500,100	504,429	4,329
Charges for services	2,384,975	2,499,163	2,819,647	320,484
Interest income	26,214	26,214	17,229	(8,985)
Intergovernmental	507,761	609,046	612,019	2,973
Contributions and donations	24,000	24,000	34,420	10,420
Other	155,369	166,858	185,401	18,543
Total revenues	16,805,500	17,174,857	17,145,341	(29,516)
Expenditures:				
Current:				
General government:				
Legislative	140,686	140,686	139,238	1,448
Executive	232,783	232,783	229,422	3,361
Board of elections	180,824	184,324	143,661	40,663
Human resources	215,894	215,894	195,495	20,399
Financial administration	452,896	467,896	445,424	22,472
Data processing	227,547	252,547	231,638	20,909
Tax commissioner	375,056	379,856	369,026	10,830
Public/General buildings	735,987	750,987	709,925	41,062
Customer service	454,483	508,483	477,822	30,661
Tax assessor	409,772	418,397	412,978	5,419
Risk management	30,000	30,000	15,595	14,405
Total general government	3,455,928	3,581,853	3,370,224	211,629
Judicial:				
Judicial administration	363,550	363,550	362,761	789
Superior court	236,664	243,342	261,131	(17,789)
Clerk superior court	541,643	541,643	513,523	28,120
District attorney	31,850	34,650	29,378	5,272
Magistrate court	205,332	205,332	212,281	(6,949)
Probate court	243,165	243,165	234,828	8,337
Total judicial	1,622,204	1,631,682	1,613,902	17,780
Public safety:				
Police	85,671	85,671	76,928	8,743
Fire	2,287,777	2,319,600	2,612,206	(292,606)
Sheriff	4,754,397	4,832,479	4,964,961	(132,482)
Emergency medical services	65,828	65,828	59,501	6,327
Coroner	46,898	50,898	56,437	(5,539)
Other protection	229,907	229,907	211,166	18,741
Total public safety	7,470,478	7,584,383	7,981,199	(396,816)
Public works:				
Public works administration	53,049	53,049	51,536	1,513
Highways and streets	1,089,765	1,102,665	1,027,063	75,602
Sanitation and wastewater	178,104	178,104	166,514	11,590
Total public works	1,320,918	1,333,818	1,245,113	88,705

(Continued)

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health	$ 221,109	$ 224,109	$ 220,910	$ 3,199
Community services	374,880	382,243	411,059	(28,816)
Total health and welfare	595,989	606,352	631,969	(25,617)
Culture and recreation:				
Participant recreation	718,846	732,846	709,449	23,397
Special facilities	128,727	128,727	100,789	27,938
Library	313,600	313,600	313,600	-
Total culture and recreation	1,161,173	1,175,173	1,123,838	51,335
Housing and development:				
Conservation	55,344	55,344	45,966	9,378
Economic development	43,990	43,990	22,686	21,304
Total housing and development	99,334	99,334	68,652	30,682
Debt service:				
Principal	48,806	48,806	48,806	-
Interest	70,234	70,234	70,235	(1)
Total debt service	119,040	119,040	119,041	(1)
Total expenditures	15,845,064	16,131,635	16,153,938	(22,303)
Excess of revenues over expenditures	960,436	1,043,222	991,403	(51,819)
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	-	2,000	2,000
Transfers in	-	-	3,926	3,926
Transfers out	(1,053,936)	(1,136,722)	(1,774,753)	(638,031)
Total other financing sources (uses)	(1,053,936)	(1,136,722)	(1,768,827)	(632,105)
Net change in fund balances	(93,500)	(93,500)	(777,424)	(683,924)
Fund balances, beginning of year	7,646,804	7,646,804	7,646,804	-
Fund balances, end of year	$ 7,553,304	$ 7,553,304	$ 6,869,380	$ (683,924)

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
January 1, 2014	$ 2,162,135	$ 2,948,545	$ 786,410	73.3%	$ 4,832,471	16.3%
January 1, 2013	1,828,102	2,708,829	880,727	67.5%	4,898,118	18.0%
January 1, 2012	1,594,025	2,481,470	887,445	64.2%	5,033,107	17.6%
January 1, 2011	1,367,925	2,197,884	829,959	62.2%	4,392,860	18.9%
January 1, 2010	1,124,824	2,016,675	891,851	55.8%	4,759,587	18.7%
January 1, 2009	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 Sheriff's Department; these funds are restricted by the applicable State of Georgia confiscation and seizure laws.

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

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

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

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

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

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

Capital Projects Funds

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

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

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

LUMPKIN COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	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	$ 3,649	$ 55,631	$ -	$ -	$ 375	$ 9,769	$ 21,068	$ 47,069
Receivables, net of allowance for uncollectibles	796	-	90,000	-	-	-	-	-
Due from other funds	41,522	-	7,406	-	7,817	-	-	-
Prepaid items	-	-	44,336	-	-	-	-	25,997
Total assets	$ 45,967	$ 55,631	$ 141,742	$ -	$ 8,192	$ 9,769	$ 21,068	$ 73,066
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ 7,993	$ -	$ 32,640	$ -	$ -	$ -	$ 623	$ 1,832
Due to other funds	-	-	-	-	-	-	-	123
Total liabilities	7,993	-	32,640	-	-	-	623	1,955
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	-	-	44,336	-	-	-	-	25,997
Restricted for:								
Public safety activities	37,974	-	64,766	-	-	9,769	20,445	-
Law library operations	-	55,631	-	-	-	-	-	-
Judicial activities	-	-	-	-	8,192	-	-	45,114
Tourism	-	-	-	-	-	-	-	-
Assigned for:								
Capital projects	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficits)	37,974	55,631	109,102	-	8,192	9,769	20,445	71,111
Total liabilities, deferred inflows of resources, and fund balances	$ 45,967	$ 55,631	$ 141,742	$ -	$ 8,192	$ 9,769	$ 21,068	$ 73,066

				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
$ 34,436	$ -	$ 11,331	$ 77,070	$ -	$ 394,041	$ 1,000	$ 655,439
-	92,323	10,215	22,373	10,666	-	1,243	227,616
22,405	-	-	1,050	207,689	-	-	287,889
-	2,236	-	7,854	-	-	-	80,423
$ 56,841	$ 94,559	$ 21,546	$ 108,347	$ 218,355	$ 394,041	$ 2,243	$ 1,251,367
$ 422	$ 39,662	$ 20,330	$ 13,248	$ 207,689	$ -	$ 651	$ 325,090
-	21,434	329	-	-	1,000	1,592	24,478
422	61,096	20,659	13,248	207,689	1,000	2,243	349,568
-	-	-	10,070	-	-	-	10,070
-	-	-	95,288	-	-	-	95,288
-	37,643	-	-	-	-	-	37,643
-	-	-	-	-	393,041	-	393,041
-	37,643	-	105,358	-	393,041	-	536,042
-	2,236	-	7,854	-	-	-	80,423
-	-	-	-	-	-	-	132,954
-	-	-	-	-	-	-	55,631
56,419	-	-	-	-	-	-	109,725
-	-	887	-	-	-	-	887
-	-	-	-	10,666	-	-	10,666
-	(6,416)	-	(18,113)	-	-	-	(24,529)
56,419	(4,180)	887	(10,259)	10,666	-	-	365,757
$ 56,841	$ 94,559	$ 21,546	$ 108,347	$ 218,355	$ 394,041	$ 2,243	$ 1,251,367

LUMPKIN COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

	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	66,589	16,754	-	-	-	9,326	-	-
Charges for services	-	-	516,288	-	975	-	26,417	-
Interest income	-	-	-	-	-	5	19	101
Intergovernmental	-	-	-	-	-	-	400	223,852
Contributions and donations	-	-	-	-	-	-	29,646	-
Other revenues	-	-	-	-	-	-	-	460
Total revenues	66,589	16,754	516,288	-	975	9,331	56,482	224,413
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Judicial	45,000	38,269	-	328	-	-	-	346,923
Public safety	17,993	-	694,842	-	-	3,270	65,030	-
Public works	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	62,993	38,269	694,842	328	-	3,270	65,030	346,923
Excess (deficiency) of revenues over expenditures	3,596	(21,515)	(178,554)	(328)	975	6,061	(8,548)	(122,510)
Other financing sources (uses):								
Transfers in	-	-	200,017	6,708	-	-	-	102,401
Transfers out	(6,708)	-	-	-	-	-	-	-
Total other financing sources (uses)	(6,708)	-	200,017	6,708	-	-	-	102,401
Net change in fund balances	(3,112)	(21,515)	21,463	6,380	975	6,061	(8,548)	(20,109)
Fund balances (deficit), beginning of year	41,086	77,146	87,639	(6,380)	7,217	3,708	28,993	91,220
Fund balances (deficit), end of year	$ 37,974	$ 55,631	$ 109,102	$ -	$ 8,192	$ 9,769	$ 20,445	$ 71,111

				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
$ -	$ -	$ 132,675	$ 125,320	$ -	$ -	$ -	$ 257,995
-	-	-	121,484	-	-	-	121,484
-	-	-	-	-	-	-	92,669
16,721	-	-	4,187	-	-	-	564,588
-	-	74	147	-	-	-	346
-	238,785	-	-	10,666	393,177	1,243	868,123
-	-	-	-	21,000	-	-	50,646
-	-	-	-	-	-	-	460
16,721	238,785	132,749	251,138	31,666	393,177	1,243	1,956,311
-	3,714	-	-	-	-	-	3,714
14,281	300,297	-	-	15,580	-	-	760,678
-	419,507	-	-	300	-	-	1,200,942
-	1,100	-	-	4,518	-	1,243	6,861
-	-	-	-	615	-	-	615
-	-	128,183	218,315	-	-	-	346,498
-	-	-	-	660,794	-	-	660,794
14,281	724,618	128,183	218,315	681,807	-	1,243	2,980,102
2,440	(485,833)	4,566	32,823	(650,141)	393,177	-	(1,023,791)
-	547,016	-	-	661,550	-	-	1,517,692
-	-	(3,926)	-	-	(393,177)	-	(403,811)
-	547,016	(3,926)	-	661,550	(393,177)	-	1,113,881
2,440	61,183	640	32,823	11,409	-	-	90,090
53,979	(65,363)	247	(43,082)	(743)	-	-	275,667
$ 56,419	$ (4,180)	$ 887	$ (10,259)	$ 10,666	$ -	$ -	$ 365,757

LUMPKIN COUNTY, GEORGIA
DRUG REHABILITATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 30,000	$ 30,000	$ 66,589	$ 36,589
Total revenues	30,000	30,000	66,589	36,589
Expenditures:				
Current:				
Judicial	20,000	20,000	45,000	(25,000)
Public safety	10,000	10,000	17,993	(7,993)
Total expenditures	30,000	30,000	62,993	(32,993)
Excess of revenues over expenditures	-	-	3,596	3,596
Other financing uses:				
Transfers out	(20,000)	(20,000)	(6,708)	13,292
Total other financing uses	(20,000)	(20,000)	(6,708)	13,292
Net changes in fund balances	(20,000)	(20,000)	(3,112)	16,888
Fund balances, beginning of year	41,086	41,086	41,086	-
Fund balances, end of year	$ 21,086	$ 21,086	$ 37,974	$ 16,888

LUMPKIN COUNTY, GEORGIA
LAW LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 15,000	$ 15,000	$ 16,754	$ 1,754
Total revenues	15,000	15,000	16,754	1,754
Expenditures:				
Current:				
Judicial	30,000	30,000	38,269	(8,269)
Total expenditures	30,000	30,000	38,269	(8,269)
Net changes in fund balances	(15,000)	(15,000)	(21,515)	(6,515)
Fund balances, beginning of year	77,146	77,146	77,146	-
Fund balances, end of year	$ 62,146	$ 62,146	$ 55,631	$ (6,515)

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 542,234	$ 554,234	$ 516,288	$ (37,946)
Total revenues	542,234	554,234	516,288	(37,946)
Expenditures:				
Current:				
Public safety	678,501	690,501	694,842	(4,341)
Total expenditures	678,501	690,501	694,842	(4,341)
Deficiency of revenues over expenditures	(136,267)	(136,267)	(178,554)	(42,287)
Other financing sources:				
Transfers in	136,267	136,267	200,017	63,750
Total other financing sources	136,267	136,267	200,017	63,750
Net changes in fund balances	-	-	21,463	21,463
Fund balances, beginning of year	87,639	87,639	87,639	-
Fund balances, end of year	$ 87,639	$ 87,639	$ 109,102	$ 21,463

LUMPKIN COUNTY, GEORGIA
JUVENILE SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ -	$ -	$ 975	$ 975
Intergovernmental	7,500	7,500	-	(7,500)
Total revenues	7,500	7,500	975	(6,525)
Expenditures:				
Current:				
Judicial	7,500	7,500	-	7,500
Total expenditures	7,500	7,500	-	7,500
Net changes in fund balances	-	-	975	975
Fund balances, beginning of year	7,217	7,217	7,217	-
Fund balances, end of year	$ 7,217	$ 7,217	$ 8,192	$ 975

LUMPKIN COUNTY, GEORGIA
CONFISCATED ASSETS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 5,000	$ 5,000	$ 9,326	$ 4,326
Interest income	10	10	5	(5)
Total revenues	5,010	5,010	9,331	4,321
Expenditures:				
Current:				
Public safety	5,010	5,010	3,270	1,740
Total expenditures	5,010	5,010	3,270	1,740
Net changes in fund balances	-	-	6,061	6,061
Fund balances, beginning of year	3,708	3,708	3,708	-
Fund balances, end of year	$ 3,708	$ 3,708	$ 9,769	$ 6,061

LUMPKIN COUNTY, GEORGIA
SPECIAL PROGRAMS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 12,000	$ 36,000	$ 26,417	$ (9,583)
Interest income	10	10	19	9
Intergovernmental	-	-	400	400
Contributions and donations	7,000	13,000	29,646	16,646
Total revenues	19,010	49,010	56,482	7,472
Expenditures:				
Current:				
Public safety	19,010	49,010	65,030	(16,020)
Total expenditures	19,010	49,010	65,030	(16,020)
Net changes in fund balances	-	-	(8,548)	(8,548)
Fund balances, beginning of year	28,993	28,993	28,993	-
Fund balances, end of year	$ 28,993	$ 28,993	$ 20,445	$ (8,548)

LUMPKIN COUNTY, GEORGIA
PUBLIC DEFENDER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 223,852	$ 223,852	$ 223,852	$ -
Interest income	350	350	101	(249)
Miscellaneous income	-	-	460	460
Total revenues	224,202	224,202	224,413	211
Expenditures:				
Current:				
Judicial	360,603	360,603	346,923	13,680
Total expenditures	360,603	360,603	346,923	13,680
Deficiency of revenues over expenditures	(136,401)	(136,401)	(122,510)	13,891
Other financing sources:				
Transfers in	102,401	102,401	102,401	-
Total other financing sources	102,401	102,401	102,401	-
Net changes in fund balances	(34,000)	(34,000)	(20,109)	13,891
Fund balances, beginning of year	91,220	91,220	91,220	-
Fund balances, end of year	$ 57,220	$ 57,220	$ 71,111	$ 13,891

LUMPKIN COUNTY, GEORGIA
TECHNOLOGY FEE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 18,836	$ 18,836	$ 16,721	$ (2,115)
Total revenues	18,836	18,836	16,721	(2,115)
Expenditures:				
Current:				
Judicial	18,836	18,836	14,281	4,555
Total expenditures	18,836	18,836	14,281	4,555
Net changes in fund balances	-	-	2,440	2,440
Fund balances, beginning of year	53,979	53,979	53,979	-
Fund balances, end of year	$ 53,979	$ 53,979	$ 56,419	$ 2,440

LUMPKIN COUNTY, GEORGIA
MULTIPLE GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 196,081	$ 220,081	$ 238,785	$ 18,704
Miscellaneous	25,464	25,464	-	(25,464)
Total revenues	221,545	245,545	238,785	(6,760)
Expenditures:				
Current:				
General government	52,500	52,500	3,714	48,786
Judicial	91,752	91,752	300,297	(208,545)
Public safety	457,304	633,804	419,507	214,297
Public works	78,000	78,000	1,100	76,900
Total expenditures	679,556	856,056	724,618	131,438
Deficiency of revenues over expenditures	(458,011)	(610,511)	(485,833)	124,678
Other financing sources:				
Transfers in	458,011	610,511	547,016	(63,495)
Total other financing sources	458,011	610,511	547,016	(63,495)
Net changes in fund balances	-	-	61,183	61,183
Fund deficits, beginning of year	(65,363)	(65,363)	(65,363)	-
Fund deficits, end of year	$ (65,363)	$ (65,363)	$ (4,180)	$ 61,183

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Hotel/Motel taxes	$ 125,000	$ 125,000	$ 132,675	$ 7,675
Interest	100	100	74	(26)
Total revenues	125,100	125,100	132,749	7,649
Expenditures:				
Current:				
Housing and development	114,100	114,100	128,183	(14,083)
Total expenditures	114,100	114,100	128,183	(14,083)
Excess of revenues over expenditures	11,000	11,000	4,566	(6,434)
Other financing uses:				
Transfers out	(11,000)	(11,000)	(3,926)	7,074
Total other financing uses	(11,000)	(11,000)	(3,926)	7,074
Net changes in fund balances	-	-	640	640
Fund balances, beginning of year	247	247	247	-
Fund balances, end of year	$ 247	$ 247	$ 887	$ 640

LUMPKIN COUNTY, GEORGIA
PLANNING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 127,400	$ 127,400	$ 125,320	$ (2,080)
Licenses and permits	94,625	94,625	121,484	26,859
Charges for services	4,000	4,000	4,187	187
Interest income	565	565	147	(418)
Total revenues	226,590	226,590	251,138	24,548
Expenditures:				
Current:				
Housing and development	226,590	226,590	218,315	8,275
Total expenditures	226,590	226,590	218,315	8,275
Net changes in fund balances	-	-	32,823	32,823
Fund deficits, beginning of year	(43,082)	(43,082)	(43,082)	-
Fund deficits, end of year	$ (43,082)	$ (43,082)	$ (10,259)	$ 32,823

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 200,300	$ 200,300	$ 202,112	$ 1,812
Investment income	281,500	281,500	27,309	(254,191)
Total revenues	481,800	481,800	229,421	(252,379)
Expenditures:				
Debt service:				
Principal	1,393,555	1,485,944	1,485,944	-
Interest	346,391	254,002	256,689	(2,687)
Total expenditures	1,739,946	1,739,946	1,742,633	(2,687)
Net change in fund balances	(1,258,146)	(1,258,146)	(1,513,212)	(255,066)
Fund balances, beginning of year	5,440,844	5,440,844	5,440,844	-
Fund balances, end of year	$ 4,182,698	$ 4,182,698	$ 3,927,632	$ (255,066)

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2014

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2003 SPLOST					
Debt service - Public Building Authority	$ 15,750,000	$ 20,202,939	$ 16,791,435	$ 1,537,470	$ 18,328,905
2008 SPLOST					
Judicial Facilities	$ 14,000,000	$ 7,048,368	$ 6,859,839	$ 188,529	$ 7,048,368
Water & Sewer Infrastructure Expansion	4,000,000	304,235	22,575	281,660	304,235
Library Facilities	4,000,000	322,784	322,784	-	322,784
Roads & Bridges	3,000,000	2,978,493	2,136,342	842,151	2,978,493
Administrative Facilities	1,000,000	2,281,440	2,268,600	12,840	2,281,440
Public Safety Vehicles	1,376,000	1,322,285	1,198,971	123,314	1,322,285
Park & Recreation Facilities	1,000,000	1,115,265	1,081,575	33,690	1,115,265
Industrial Development Property	1,000,000	110,769	110,769	-	110,769
Fire Protection Facilities	600,000	123,474	114,974	8,500	123,474
Public Warning System	250,000	139,728	139,728	-	139,728
Public Works Equipment	250,000	188,172	188,172	-	188,172
E911 Equipment	240,000	213,754	213,754	-	213,754
City of Dahlonega Water Treatment Facilities	4,284,000	3,107,228	2,988,531	118,697	3,107,228
Total 2008 SPLOST	$ 35,000,000	$ 19,255,995	$ 17,646,614	$ 1,609,381	$ 19,255,995
2014 SPLOST					
Lease Payments	$ 5,100,000	$ 5,100,000	$ -	$ -	$ -
Administration Factility Improvements	1,200,000	1,200,000	-	-	-
Public Facility Renovations/Vehicles	300,000	300,000	-	-	-
Animal Shelter Equipment/Facilities, and Vehicles	75,000	75,000	-	-	-
Clerk of Court Archives Upgrade	20,000	20,000	-	-	-
Economic Development	500,000	500,000	-	-	-
Board of Elections Upgrades	40,000	40,000	-	-	-
Emergency Services Equipment/Vehicles, Facility Renovations/Additions	1,485,000	1,485,000	-	-	-
Roads and Bridges Equipment, Vehicles, Resurfacing, Improvements	4,270,000	4,270,000	-	-	-
Lumpkin Co. Library	1,000,000	1,000,000	-	-	-
Recreation Equipment/Vehicles/Facilities	1,000,000	1,000,000	-	-	-
Senior Center Facilities	50,000	50,000	-	-	-
Sheriff's Department Equipment and Vehicles	360,000	360,000	-	-	-
Water Authority System Improvements	500,000	500,000	-	-	-
City of Dahlonega	3,000,000	3,000,000	-	374,942	374,942
Total 2014 SPLOST	$ 18,900,000	$ 18,900,000	$ -	$ 374,942	$ 374,942

2003 SPLOST Expenditures disbursed from Debt Service Fund	$ 1,537,470
Principal repayments for debt issued for approved SPLOST projects	600,000
Total SPLOST Fund Expenditures	$ 2,584,323

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, 2014

ASSETS	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total
Cash	$ 735,407	$ 19,786	$ 193,460	$ 22,081	$ 128	$ 970,862
Taxes receivable	2,351,833	-	-	-	-	2,351,833
Accounts receivable	-	20,640	-	-	-	20,640
Total assets	$ 3,087,240	$ 40,426	$ 193,460	$ 22,081	$ 128	$ 3,343,335
LIABILITIES						
Due to others	$ 735,407	$ 40,426	$ 193,460	$ 22,081	$ 128	$ 991,502
Uncollected taxes	2,351,833	-	-	-	-	2,351,833
Total liabilities	$ 3,087,240	$ 40,426	$ 193,460	$ 22,081	$ 128	$ 3,343,335

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance January 1, 2014	Increases	Decreases	Balance December 31, 2014
Tax Commissioner				
ASSETS				
Cash	$ 638,655	$ 28,431,208	$ (28,334,456)	$ 735,407
Taxes receivable	2,772,850	13,466,763	(13,887,780)	2,351,833
Total assets	$ 3,411,505	$ 41,897,971	$ (42,222,236)	$ 3,087,240
LIABILITIES				
Due to others	$ 638,655	$ 28,431,208	$ (28,334,456)	$ 735,407
Uncollected taxes	2,772,850	13,466,763	(13,887,780)	2,351,833
Total liabilities	$ 3,411,505	$ 41,897,971	$ (42,222,236)	$ 3,087,240
Sheriff				
ASSETS				
Cash	$ 19,090	$ 159,780	$ (159,084)	$ 19,786
Accounts receivable	20,120	20,640	(20,120)	20,640
Total assets	$ 39,210	$ 180,420	$ (179,204)	$ 40,426
LIABILITIES				
Due to others	$ 39,210	$ 180,420	$ (179,204)	$ 40,426
Total liabilities	$ 39,210	$ 180,420	$ (179,204)	$ 40,426
Clerk of Courts				
ASSETS				
Cash	$ 180,792	$ 1,220,556	$ (1,207,888)	$ 193,460
Total assets	$ 180,792	$ 1,220,556	$ (1,207,888)	$ 193,460
LIABILITIES				
Due to others	$ 180,792	$ 1,220,556	$ (1,207,888)	$ 193,460
Total liabilities	$ 180,792	$ 1,220,556	$ (1,207,888)	$ 193,460

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance January 1, 2014	Increases	Decreases	Balance December 31, 2014
Probate Court				
ASSETS				
Cash	$ 15,373	$ 448,066	$ (441,358)	$ 22,081
Total assets	$ 15,373	$ 448,066	$ (441,358)	$ 22,081
LIABILITIES				
Due to others	$ 15,373	$ 448,066	$ (441,358)	$ 22,081
Total liabilities	$ 15,373	$ 448,066	$ (441,358)	$ 22,081
Magistrate Court				
ASSETS				
Cash	$ 444	$ 25,235	$ (25,551)	$ 128
Total assets	$ 444	$ 25,235	$ (25,551)	$ 128
LIABILITIES				
Due to others	$ 444	$ 25,235	$ (25,551)	$ 128
Total liabilities	$ 444	$ 25,235	$ (25,551)	$ 128
Total Agency Funds				
ASSETS				
Cash	$ 854,354	$ 30,284,845	$ (30,168,337)	$ 970,862
Taxes receivable	2,772,850	13,466,763	(13,887,780)	2,351,833
Accounts receivable	20,120	20,640	(20,120)	20,640
Total assets	$ 3,647,324	$ 43,772,248	$ (44,076,237)	$ 3,343,335
LIABILITIES				
Due to others	$ 874,474	$ 30,305,485	$ (30,188,457)	$ 991,502
Uncollected taxes	2,772,850	13,466,763	(13,887,780)	2,351,833
Total liabilities	$ 3,647,324	$ 43,772,248	$ (44,076,237)	$ 3,343,335

COMPONENT UNIT – HOSPITAL AUTHORITY

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - HOSPITAL AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2014

	Hospital Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	$ (82,045)
Net cash used in operating activities	(82,045)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from maturities and sales of investments	194,784
Purchases of investments	(199,985)
Interest received	44,323
Net cash provided by investing activities	39,122
Net decrease in cash and cash equivalents	(42,923)
Cash and cash equivalents:	
Beginning of year	327,182
End of year	$ 284,259
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (82,045)
Net cash used in operating activities	$ (82,045)
NON-CASH INVESTING ACTIVITIES	
Unrealized gain on investments	$ 92,350

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 ..... **101 - 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)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities										
Net investment in capital assets	**$ 62,155**	$ 60,580	$ 59,032	$ 56,295	$ 55,355	$ 52,684	$ 49,322	$ 49,013	$ 45,080	$ 42,989
Restricted	**6,115**	6,628	7,765	9,352	9,243	11,484	11,484	11,783	9,734	7,321
Unrestricted	**7,350**	7,889	6,853	7,226	6,744	5,583	5,627	3,489	5,757	4,947
Total governmental activities net position	**$ 75,620**	$ 75,097	$ 73,650	$ 72,873	$ 71,342	$ 69,751	$ 66,433	$ 64,285	$ 60,571	$ 55,257
Business-type activities										
Net investment in capital assets	**$ 648**	$ 694	$ 694	$ 709	$ 735	$ 762	$ 798	$ 834	$ 870	$ 849
Unrestricted	**(416)**	(457)	(457)	(492)	(506)	(407)	(419)	(440)	(430)	(321)
Total business-type activities net position	**$ 232**	$ 237	$ 237	$ 217	$ 229	$ 355	$ 379	$ 394	$ 440	$ 528
Primary government										
Net investment in capital assets	**$ 62,803**	$ 61,274	$ 59,726	$ 57,004	$ 56,090	$ 53,446	$ 50,120	$ 49,847	$ 45,950	$ 43,838
Restricted	**6,115**	6,628	7,765	9,352	9,243	11,484	11,484	11,783	9,734	7,321
Unrestricted	**6,934**	7,432	6,396	6,734	6,238	5,176	5,208	3,049	5,327	4,626
Total primary government net position	**$ 75,852**	$ 75,334	$ 73,887	$ 73,090	$ 71,571	$ 70,106	$ 66,812	$ 64,679	$ 61,011	$ 55,785

LUMPKIN COUNTY, GEORGIA

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental activities:										
General government	**$ 3,900**	$ 3,964	$ 3,714	$ 3,144	$ 3,210	$ 2,843	$ 3,437	$ 2,742	$ 2,589	$ 2,276
Judicial system	**2,372**	2,119	2,375	2,673	2,585	2,403	2,476	2,409	2,097	2,139
Public safety	**9,691**	9,151	9,235	8,965	9,004	7,958	9,260	7,845	7,326	6,680
Public works	**2,960**	2,688	2,472	2,614	2,604	2,450	1,182	2,489	2,275	2,096
Health and welfare	**666**	628	589	595	613	654	1,045	556	451	480
Culture and recreation	**1,336**	1,235	955	1,014	1,334	1,336	1,450	1,413	1,343	1,225
Housing and development	**412**	432	426	421	424	458	705	629	923	481
Interest on long-term debt	**519**	473	863	917	998	750	1,064	819	883	730
Total governmental activities expenses	**21,856**	20,690	20,629	20,343	20,772	18,852	20,619	18,902	17,887	16,107
Business-type activities:										
Solid Waste	**100**	109	134	94	225	119	133	143	93	130
Total business-type activities expenses	**100**	109	134	94	225	119	133	143	93	130
Total primary government expenses	**$ 21,956**	$ 20,799	$ 20,763	$ 20,437	$ 20,997	$ 18,971	$ 20,752	$ 19,045	$ 17,980	$ 16,237
Program Revenues										
Governmental activities:										
Charges for services:										
General government	**$ 764**	$ 778	$ 1,072	$ 1,018	$ 1,177	$ 895	$ 1,278	$ 1,242	$ 869	$ 691
Judicial system	**1,000**	1,001	619	675	771	682	726	603	764	536
Public safety	**2,184**	2,013	1,974	2,423	1,921	2,030	1,172	1,660	1,601	2,165
Public works	**1**	1	30	51	53	49	1	4	9	5
Health and welfare	**27**	40	58	42	52	2	20	27	15	14
Culture and recreation	**232**	231	-	22	216	262	318	283	366	278
Housing and development	**126**	122	109	77	96	120	240	59	580	521
Operating grants and contributions	**1,147**	977	1,287	1,555	1,567	1,276	1,541	885	738	1,001
Capital grants and contributions	**426**	748	583	17	54	202	194	1,800	2,451	1,768
Total governmental activities program revenues	**5,907**	5,911	5,732	5,880	5,907	5,518	5,490	6,563	7,393	6,979
Business-type activities:										
Charges for services:										
Solid waste	**32**	45	115	15	15	20	61	43	33	15
Operating grants and contributions	**-**	-	-	-	-	-	-	-	-	-
Capital grants and contributions	**-**	-	13	-	-	-	-	-	-	150
Total business-type activities program revenues	**32**	45	128	15	15	20	61	43	33	165
Total primary government program revenues	**$ 5,939**	$ 5,956	$ 5,860	$ 5,895	$ 5,922	$ 5,538	$ 5,551	$ 6,606	$ 7,426	$ 7,144
Net (expense)/revenue										
Governmental activities	**$ (15,949)**	$ (14,779)	$ (14,897)	$ (14,463)	$ (14,865)	$ (13,334)	$ (15,129)	$ (12,339)	$ (10,494)	$ (9,128)
Business-type activities	**(68)**	(64)	(6)	(79)	(210)	(99)	(72)	(100)	(60)	35
Total primary government net expense	**$ (16,017)**	$ (14,843)	$ (14,903)	$ (14,542)	$ (15,075)	$ (13,433)	$ (15,201)	$ (12,439)	$ (10,554)	$ (9,093)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	**$ 9,595**	$ 9,553	$ 8,818	$ 9,047	$ 9,850	$ 9,841	$ 9,708	$ 7,976	$ 7,251	$ 6,005
Sales taxes	**5,468**	5,191	5,471	5,358	5,195	5,324	5,777	6,276	6,105	5,127
Insurance premium taxes	**1,212**	1,148	1,105	1,034	828	852	864	844	802	765
Other taxes	**230**	222	188	227	219	185	223	204	691	570
Unrestricted investment earnings	**45**	161	318	394	448	511	732	749	569	378
Unrestricted grants and contributions	**-**	-	-	-	-	-	-	-	331	292
Gain on sale of capital assets	**-**	-	-	-	-	14	30	-	32	-
Transfers	**(79)**	(48)	(26)	(66)	(84)	(76)	(57)	(54)	27	(364)
Total governmental activities	**16,471**	16,227	15,874	15,994	16,456	16,651	17,277	15,995	15,808	12,773
Business-type activities:										
Unrestricted grants and contributions	**-**	-	-	-	-	-	-	-	-	27
Gain on sale of capital assets	**-**	-	-	-	-	-	-	-	-	-
Transfers	**79**	48	26	66	84	75	57	54	(27)	364
Total business-type activities	**79**	48	26	66	84	75	57	54	(27)	391
Total primary government	**$ 16,550**	$ 16,275	$ 15,900	$ 16,060	$ 16,540	$ 16,726	$ 17,334	$ 16,049	$ 15,781	$ 13,164
Change in Net Position										
Governmental activities	**$ 522**	$ 1,448	$ 977	$ 1,531	$ 1,591	$ 3,317	$ 2,148	$ 3,656	$ 5,314	$ 3,645
Business-type activities	**11**	(16)	20	(13)	(126)	(24)	(15)	(46)	(87)	426
Total primary government	**$ 533**	$ 1,432	$ 997	$ 1,518	$ 1,465	$ 3,293	$ 2,133	$ 3,610	$ 5,227	$ 4,071

LUMPKIN COUNTY, GEORGIA

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

	2014	2013	2012	2011 (2)	2010
General fund					
Reserved	**$ -**	$ -	$ -	$ -	$ 449
Unreserved	**-**	-	-	-	5,439
Nonspendable:					
Prepaid items	**678**	355	265	255	-
Inventory	**129**	114	117	86	-
Assigned:					
Fire station construction	**375**	-	-	-	-
Equipment purchases	**621**	-	-	-	-
Unassigned	**5,066**	7,178	6,464	6,516	-
Total general fund	**$ 6,869**	$ 7,647	$ 6,846	$ 6,857	$ 5,888
All other governmental funds					
Reserved	**$ -**	$ -	$ -	$ -	$ 9,297
Unreserved, reported in:					
Special revenue funds	**-**	-	-	-	512
Capital projects funds (1)	**-**	-	-	-	(320)
Nonspendable:					
Prepaid items	**80**	47	41	35	-
Restricted for:					
Debt service	**3,928**	5,441	6,837	8,073	-
Capital projects	**1,873**	825	432	549	-
Public safety activities	**133**	148	115	290	-
Law library operations	**56**	77	114	134	-
Judicial activities	**110**	119	180	165	-
Tourism	**1**	1	8	6	-
Assigned:					
Capital projects	**11**	-	-	-	-
Unassigned	**(25)**	(116)	(204)	(128)	-
Total all other governmental funds	**$ 6,167**	$ 6,542	$ 7,523	$ 9,124	$ 9,489

(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.

2009	2008	2007	2006	2005
$ 296	$ 329	$ 463	$ 493	$ 433
4,993	3,550	3,796	4,834	3,549
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 5,289	$ 3,879	$ 4,259	$ 5,327	$ 3,982
$ 10,404	$ 11,529	$ 11,830	$ 9,320	$ 7,006
314	351	468	454	369
524	8,420	(1,107)	122	405
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 11,242	$ 20,300	$ 11,191	$ 9,896	$ 7,780

LUMPKIN COUNTY, GEORGIA

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

	2014	2013	2012	2011	2010
Revenues					
Taxes	**$ 16,440**	$ 16,123	$ 15,655	$ 15,557	$ 16,292
Licenses and permits	**163**	164	131	112	131
Fines and forfeitures	**597**	528	577	608	660
Charges for services	**3,384**	3,292	3,026	3,489	3,312
Interest income	**50**	163	321	397	456
Intergovernmental	**1,480**	1,492	1,587	1,635	1,665
Contributions and donations	**85**	35	85	69	111
Miscellaneous	**186**	189	118	90	183
Total revenues	**22,385**	21,986	21,500	21,957	22,811
Expenditures					
General government	**3,374**	3,181	3,175	2,958	3,029
Judicial	**2,374**	2,117	2,374	2,252	2,585
Public safety	**9,184**	8,673	8,844	9,013	8,611
Public works	**1,281**	1,338	1,128	1,194	1,056
Health and welfare	**633**	595	554	565	600
Culture and recreation	**1,124**	1,033	760	826	1,138
Housing and development	**415**	418	429	409	420
Intergovernmental	**775**	640	467	574	504
Capital outlay (1)	**1,651**	1,611	2,994	1,115	3,481
Debt service					
Principal	**2,135**	1,796	1,502	1,440	1,434
Interest	**515**	524	856	942	1,022
Other charges	**-**	237	-	-	-
Total expenditures	**23,461**	22,163	23,083	21,288	23,881
Excess (deficiency) of revenues over (under) expenditures	**(1,076)**	(177)	(1,583)	669	(1,070)
Other financing sources (uses)					
Transfers in	**2,100**	1,173	966	898	1,087
Transfers out	**(2,179)**	(1,221)	(992)	(964)	(1,171)
Issuance of debt	**-**	9,835	-	-	-
Premium/discount on issuance of debt	**-**	43	-	-	-
Refunding payment to escrow agent	**-**	(9,835)	-	-	-
Sale of capital assets	**2**	-	-	-	-
Total other financing sources (uses)	**(77)**	(5)	(26)	(66)	(84)
Net change in fund balances	**$ (1,153)**	$ (182)	$ (1,609)	$ 603	$ (1,154)
Debt service as a percentage of noncapital expenditures	**12.2%**	12.6%	11.8%	12.1%	12.0%
Total debt service expenditures	**2,650**	2,557	2,358	2,382	2,456
Total non-capital expenditures	**21,724**	20,306	19,997	19,638	20,401

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

2009	2008	2007	2006	2005
$ 15,718	$ 15,908	$ 15,773	$ 14,928	$ 12,516
147	215	345	475	431
606	616	513	660	500
3,146	2,753	2,797	3,206	3,147
511	732	749	569	378
1,256	1,461	1,136	1,558	1,295
222	229	129	229	100
142	171	224	61	9
21,748	22,085	21,666	21,686	18,376
2,637	3,232	2,546	2,325	2,162
2,386	2,470	2,400	1,823	1,864
7,498	8,229	7,504	6,912	6,285
1,092	1,331	1,285	1,017	1,148
643	641	534	435	459
1,144	1,309	1,297	1,228	1,123
440	696	608	906	462
517	-	-	48	79
10,596	2,672	3,578	1,957	1,915
1,306	1,378	1,021	901	863
1,100	1,022	860	999	752
-	270	-	-	-
29,359	23,250	21,633	18,551	17,112
(7,611)	(1,165)	33	3,135	1,264
829	1,326	2,812	1,586	1,985
(904)	(1,383)	(2,867)	(1,559)	(2,349)
-	10,000	90	254	16
-	(99)	-	-	-
-	-	-	-	-
39	49	-	45	-
(36)	9,893	35	326	(348)
$ (7,647)	$ 8,728	$ 68	$ 3,461	$ 916
13.2%	13.1%	10.4%	11.4%	10.6%
2,406	2,670	1,881	1,900	1,615
18,253	20,399	18,055	16,594	15,197

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
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
2014	9,530	5,468	1,212	-	163	67	16,440

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)
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
2015	2014	568,141,543	146,902,932	339,058,076	22,366,787	58,347,370	5,710,634	24,653,386	829,628

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
$ 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%
189,156,111	128,159,260		848,694,985	9.160	2,121,737,463	40.00%

LUMPKIN COUNTY, GEORGIA

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

Tax Year	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Lumpkin County rates										
Unincorporated	9.160	9.121	8.962	7.852	7.318	6.947	6.893	6.912	8.346	8.052
Incorporated	10.877	10.743	10.436	8.881	7.907	7.842	7.707	7.724	9.385	9.068
Special services (reservoir)	0.295	0.294	0.289	0.253	0.220	0.191	0.178	0.187	0.226	0.411
Special services (planning)	0.157	0.187	0.184	0.161	0.098	0.409	-	-	-	-
Municipal rates										
Dahlonega	4.739	4.739	4.656	4.212	3.988	3.950	3.950	3.959	4.370	3.620
Board of Education										
Maintenance & Operations	16.651	16.540	16.239	14.259	12.800	12.800	11.840	11.860	14.190	14.190
State of Georgia	0.100	0.150	0.200	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Total Unincorporated	26.363	26.292	25.875	22.775	20.686	20.597	19.161	19.209	23.012	22.903
Total Incorporated	32.367	32.163	31.531	27.602	24.945	24.842	23.747	23.793	28.195	27.128

Source: Georgia Department of Revenue, Property Tax Division

LUMPKIN COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

	2014			2005		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
KOYO Bearings North America LLC	$ 10,033,877	1	1.18 %	$		%
Forestar (USA) Real Estate Group INC	8,037,870	2	0.95			
Georgia Power Company	6,577,873	3	0.78	3,421,204	6	0.39
Dunn Betty L Trustee	5,671,389	4	0.67			
Windstream Standard INC	5,203,573	5	0.61			
Amicalola EMC	4,301,552	6	0.51	3,878,007	4	0.44
Birch River Chestatee Company LLC	4,229,635	7	0.50			
HD Development of Maryland INC	3,927,589	8	0.46			
Harris Diversified Services INC	3,386,942	9	0.40			
Dahlonega Group LLC	3,330,502	10	0.39			
Standard Telephone Co				8,671,789	1	0.99
Torrington Company				8,443,731	2	0.96
Inland Container Corp				6,522,297	3	0.74
Wal-Mart Stores #2513				3,766,292	5	0.43
Sherman Green				3,034,566	7	0.35
Edna Noblin Estate				3,025,378	8	0.34
Mariah Construction LLP				2,932,005	9	0.33
Sherman Green, Roberta				2,890,403	10	0.33
	$ 54,700,802		6.45 %	$ 46,585,672		5.31 %

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
2006	2005	$ 7,270	$ 5,988	82.37 %	$ 1,172	$ 7,160	98.49 %
2007	2006	7,762	6,615	85.22	1,146	7,761	99.99
2008	2007	7,722	2,719	35.21	5,002	7,721	99.99
2009	2008	8,148	6,268	76.93	1,879	8,147	99.99
2010	2009	7,966	6,400	80.34	1,565	7,965	99.99
2011	2010	7,682	6,435	83.77	1,246	7,681	99.99
2012	2011	7,674	6,600	86.00	1,073	7,673	99.99
2013	2012	7,527	6,698	88.99	828	7,526	99.99
2014	2013	7,493	6,475	86.41	820	7,295	97.36
2015	2014	7,487	6,739	90.01	-	6,739	90.01

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			
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
2014	-	-	8,915	8,151	17,066	1.90	547

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)
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	-	-	-
2014	1,740	1,740	-	-	-

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)

	2014	2013	2012	2011
Debt limit	**$ 103,785**	$ 105,099	$ 106,895	$ 123,027
Total net debt applicable to limit	**-**	-	-	-
Legal debt margin	**$ 103,785**	$ 105,099	$ 106,895	$ 123,027
Total net debt applicable to the limit as a percentage of debt limit	**0%**	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	$ 848,695
Add back: exempt real property	189,156
Total assessed value	1,037,851
Debt limit (10% of total assessed value)	103,785
Debt applicable to limit:	
General obligation debt	1,740
Less: Amount set aside for repayment of general obligation debt	(1,740)
Total net debt applicable to limit	-
Legal debt margin	$ 103,785

2010	2009	2008	2007	2006	2005
$ 143,522	$ 146,563	$ 153,591	$ 146,190	$ 106,361	$ 100,826
-	-	-	-	1,500	4,654
$ 143,522	$ 146,563	$ 153,591	$ 146,190	$ 104,861	$ 96,172
0%	0%	0%	0%	1%	5%

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)
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
2014	31,176	898,545	28,822	36.1	3,652	6.6

Data sources:

(1) Bureau of the Census

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

(3) School District

(4) State Department of Labor

LUMPKIN COUNTY, GEORGIA

PRINCIPAL EMPLOYERS
2012 AND 2006

	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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Function										
General government	**38**	34	36	31	32	50	45	57	60	55
Public safety										95
Sheriff										
Officers	**59**	69	62	80	84	72	72	68	65	-
Civilians	**10**	10	10	20	8	8	8	8	8	-
Emergency	**10**	9	2	2	2	2	2	-	2	-
Fire										
Firefighters and officers	**36**	31	36	30	34	31	26	22	2	-
Civilians	**1**	1	1	11	1	13	11	14	19	-
Judicial	**19**	19	21	15	24	26	20	20	18	19
Public works	**18**	18	19	23	17	15	22	22	15	18
Culture and recreation	**16**	12	4	5	9	6	11	17	19	13
Housing and development	**-**	-	-	-	1	1	1	1	1	1
Total	**207**	203	191	217	212	224	218	229	209	201

Source: County Budget Office

LUMPKIN COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Function										
Sheriff										
Traffic violations	**1,257** (3)	2,842	2,534	2,857	3,458	4,072 (2)	N/A	2,992	2,111	2,169
Fire										
Number of calls answered	**4,409**	4,292	4,055	3,800	3,269	3,244	3,426	3,344	3,141	1,893
Inspections conducted	**168**	192	30*	12*	N/A	377	637	1,004 (1)	369	215
Highways and streets										
Street resurfacing (miles)	**12**	13	15	10	13	6	6	11	23	5
Sanitation										
Refuse collected (tons/day)	**40**	35	47	42	43	46	45	33	34	26
Recyclables collected (tons/day)	**1**	1	1.5	1	1	N/A	2	1	1	-

Source: County departments

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

N/A - Information is not available.

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

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

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

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

LUMPKIN COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government										
Buildings	**16**	16	16	13	13	13	13	13	13	11
Vehicles	**6**	6	5	5	5	5	5	5	5	4
Small equipment	**27**	26	26	25	25	25	25	24	20	21
Public safety										
Buildings	**7**	7	7	7	7	7	7	6	5	5
Vehicles										
Fire/pumper trucks	**14**	14	14	13	13	13	13	13	13	13
Other Fire Dept. vehicles	**10**	9	6	6	6	6	6	5	5	4
Ambulance/rescue	**6**	6	6	5	4	6	5	5	4	6
Sheriffs vehicles	**63**	61	48	53	51	46	46	39	35	32
Other public safety vehicles	**4**	4	4	3	3	3	3	3	3	2
Equipment	**83**	82	81	79	78	78	69	49	41	40
Judicial										
Small equipment	**6**	6	6	6	6	6	6	6	6	15
Public works										
Buildings	**3**	3	3	3	3	3	3	3	3	2
Vehicles										
Road Department	**11**	11	11	11	10	11	11	15	20	24
Building Inspector	**6**	6	6	6	6	6	6	6	6	5
Other	**3**	3	3	3	3	3	3	3	2	2
Small equipment	**6**	5	5	5	5	5	5	1	1	-
Heavy equipment	**37**	34	34	35	34	33	35	35	35	30
Health and welfare										
Buildings	**3**	3	3	3	3	2	2	2	2	2
Culture and recreation										
Buildings	**5**	5	5	5	5	5	5	5	5	5
Vehicles	**5**	4	3	4	4	4	5	5	5	4
Equipment	**14**	13	13	13	13	13	11	10	10	10

Source: Various County departments

COMPLIANCE SECTION

MAULDIN & JENKINS

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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 5, 2015. 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 2014-001 through 2014-003, 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
June 5, 2015

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014

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, 2014 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, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2014–001 Intergovernmental Revenue and Related Balance Sheet Account Reporting (Lumpkin County Water & Sewerage Authority)

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

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

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

- During our testing of the Authority's activity for 2014, we noted the Authority was being reimbursed by Lumpkin County for a capital construction project. Our review of the Authority's accounts revealed that the intergovernmental revenue from the County had been netted against the project related expenses thus understanding the Authority's revenues and assets. As a result, an audit adjustment of approximately $217,000 was required to properly report intergovernmental revenues and related project costs in accordance with generally accepted accounting principles.
- Furthermore, during our testing of the construction in progress balance related to the above project, we noted the Authority did not accrue certain project expenses for work that was completed through December 31, 2014. As a result, an audit adjustment of approximately $118,000 was required to record the accounts payable and construction in progress as well as to accrue the revenue and receivable for the reimbursement to be received from the County for the project costs.

Effects: Total misstatements related to revenue recognition and reporting of the related balance sheet accounts totaled approximately $335,000 for the year ended December 31, 2014.

Recommendation: We recommend the Authority carefully review all revenues and the related balance sheet accounts to ensure amounts are reported in the proper reporting period and include all activity in accordance with generally accepted accounting principles.

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2014–002 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 process. The nature of these errors and the audit adjustments required are as follows:

- When attempting to accrue unbilled revenue for water and sewer services provided in the month of December, management of the Authority improperly recorded these items as adjustments to the Authority's cash balances and regular accounts receivable. As such, audit adjustments of approximately $57,000 were required to properly report these balances at year-end.
- The Authority did not adjust the beginning balance of prepaid expenses for items that were accrued at the end of the prior year and should have been expensed during 2014. As such, audit adjustments of approximately $7,000 were required to properly report expenses and reduce prepaid assets for the current year activity.
- The Authority's accrual for payroll expenses incurred in December 2014 and paid in January 2015 did not take into consideration the beginning balance in the liability account from the prior year end. As such, the liability recorded by the Authority was too high by approximately $11,000 and as such, an audit adjustment of that amount was required to properly report accrued payroll and personnel expenses for the year ended December 31, 2014.
- The December 2014 reconciliation of the Authority's main operating cash account (the Revenue Fund) including a significant number of reconciling items that needed to be posted to the general ledger. As such, audit adjustments totaling approximately $23,000 were required to properly report the Authority's cash balances as of December 31, 2014. Furthermore, it is noted that the Authority's bank account reconciliations throughout the year contained significant differences between the adjusted bank balance and the general ledger balance and these differences were not reconciled until audit fieldwork was being conducted.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2014–002 Financial Closeout and Reporting (Continued)
(Lumpkin County Water & Sewerage Authority)

- An audit adjustment of approximately $1,000 was required to properly report ending capital asset balances. This misstatement resulted from the Authority improperly expensing an item that qualified for reporting as a capital asset and should have been capitalized.

- An adjustment of approximately $4,000 was required to reclassify principal repayments on one of the Authority's loans payable from expenses to a reduction of the liability. This misstatement resulted from the Authority improperly recording current year principal payment activity in the income statement rather than as a reduction to the long-term liability balance.

- An adjustment of approximately $12,000 was required to record current year amortization expense on deferred charges to report these balances in accordance with GAAP.

Effects: Audit adjustments totaling approximately $115,000 were required to correct current year financial statement balances.

Recommendation: We recommend the Authority carefully review all of its monthly and annual closeout procedures to ensure all transactions are reported in the proper period and in accordance with GAAP. Furthermore, we recommend that complete monthly reconciliations of all cash accounts are performed in accordance with a sound internal control environment.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to implement the above recommendations.

.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2014–003 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.
- 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, 2014

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable