LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2016

Prepared By:
The Lumpkin County Office of Financial Administration

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LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

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LUMPKIN COUNTY BOARD OF COMMISSIONERS

Doug Sherrill
District 1

Steve Shaw
District 2

Chris Dockery
Chairman

Rhett Stringer
District 3

Bob Pullen
District 4

June 13, 2017

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, 2016.

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, 2016, 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, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

June 13, 2017

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

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

General Information on Lumpkin County

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

Resting in the foothills of the Appalachian Mountains, Lumpkin County is 285 square miles in area, approximately 44% of which is located within the Chattahoochee National Forest. The population of the County has grown by 29% over the past ten years with a current 2016 census population estimate of 31,445.

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 University of North Georgia's Price Memorial Hall (the original mint building was burned to the foundation in 1878). The University was one of the first Federal Land Grant colleges and is to this day one of the premier military institutions in the nation.

Government Structure

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

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

The County Manager provides direction to department heads and managers to implement policies set forth by the Board of Commissioners.

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

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

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

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

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

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

Economic Condition and Outlook

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

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

Major Initiatives & Accomplishments

During 2016, Lumpkin County was awarded four grants for personnel, renovations and equipment totaling $276,026.

Other accomplishments during the year include:

- Resurfacing approximately 25 lane miles of County roads, using a combination of Federal, State, and local money.
- Implementation of Compensation and Classification plan.
- Regraded and resurfaced Community Center parking lot to bring to ADA standards.
- Completed safety improvements for the intersection of Burnt Stand and Auraria roads.
- Completed site work for a county fueling station.
- Completion of an all-accessible playground at Yahoola Creek Park.
- Upgrade of elevators in county facilities.
- Installation of an ADA compliant fire alarm system in the Administration Building.

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
Division Director
Finance and Support Services

OFFICIALS OF
LUMPKIN COUNTY, GEORGIA

COMMISSIONER'S OFFICE

Chris Dockery	**Chairman**
Doug Sherrill	**District 1**
Steve Shaw	**District 2**
Rhett Stringer	**District 3**
Bob Pullen	**District 4**
Stanley J. Kelley	**County Manager**
Kathleen Walker	**County Clerk**

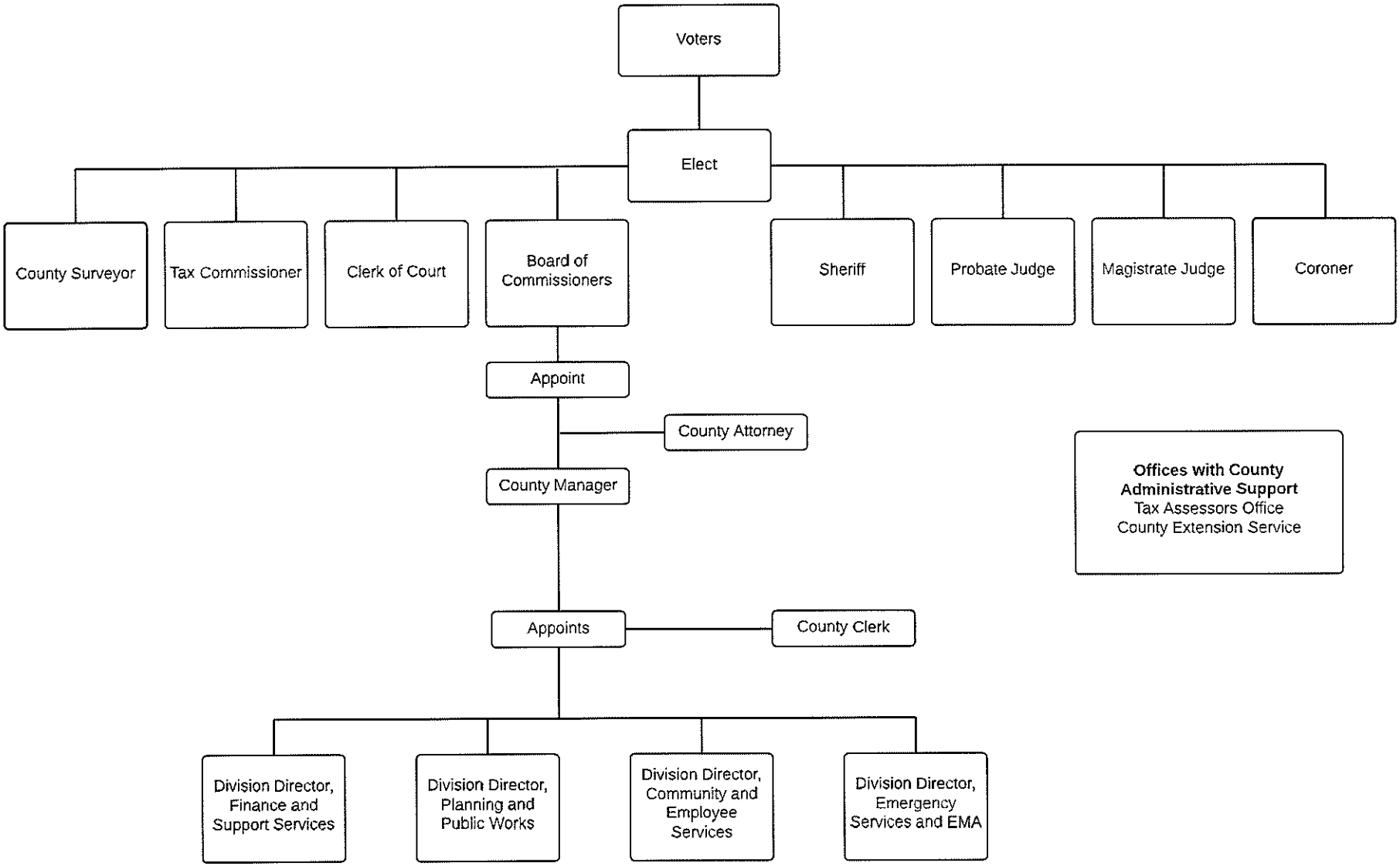
DEPARTMENT DIRECTORS

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

JUDICIAL & OTHER ELECTED OFFICIALS

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

Organizational Chart - County-Wide



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, 2016, 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 31 percent, 19 percent, and 44 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.

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, 2016, 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), the budgetary comparison information (on pages 64 and 65), the schedule of changes in the County's net pension liability and related ratios (on page 66) and the schedule of County contributions (on page 67) 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, the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2017, 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 13, 2017

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, 2016. 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, 2016.

Financial Highlights

- Lumpkin County's governmental activities assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2016 by $78.3 million (*net position*). Of this amount, $6.7 million (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of December 31, 2016, the governmental funds of Lumpkin County reported combined ending fund balances of $13.0 million, an increase of $0.5 million in comparison with the prior year. Approximately 37.1% of this amount, $4.8 million, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of 2016, unassigned fund balance for the general fund was $4.8 million, or 28.77% 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 2016, the Debt Service Fund had accumulated $2.7 million toward the goal of retiring the 2001 issue.
- During 2016, Lumpkin County made principal and interest payments totaling $0.6 million on the Public Building Authority Issue, Series 2001. These payments reduced the outstanding principal to $7.6 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, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the County's *net position* and how they have changed. Net position, the difference between the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, is one way to measure the County's financial health or current position.

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

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

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

Fund Financial Statements

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

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

The County has three kinds of funds:

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

Financial Analysis of the County as a Whole

Net position. As discussed earlier, net position may serve as a useful indicator of a government's financial position. As of December 31, 2016, the County's net position was $78.5 million, which is an increase of approximately $1.7 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 2016 and 2015.

TABLE B

LUMPKIN COUNTY, GEORGIA'S NET POSITION
December 31, 2016 and 2015
($ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2016	2015	2016	2015	2016	2015
CURRENT AND OTHER ASSETS*	$26,482	$23,855	$10	$5	$26,492	$23,860
CAPITAL ASSETS (net of depreciation)	80,948	79,890	607	625	81,555	80,515
TOTAL ASSETS	107,430	103,745	617	630	108,047	104,375
LONG-TERM LIABILITIES	17,303	17,163	374	398	17,677	17,561
OTHER LIABILITIES*	11,824	9,950	2	7	11,826	9,957
TOTAL LIABILITIES	29,127	27,113	376	405	29,503	27,518
NET POSITION:						
NET INVESTMENT IN CAPITAL ASSETS	66,028	64,707	607	625	66,635	65,332
RESTRICTED FOR DEBT SERVICE	2,704	3,332	0	0	2,704	3,332
RESTRICTED FOR CAPITAL PROJECTS	2,512	2,273	0	0	2,512	2,273
RESTRICTED FOR PUBLIC SAFETY ACTIVITIES	190	203	0	0	190	203
RESTRICTED FOR PLANNING	48	0	0	0	48	0
RESTRICTED FOR LAW LIBRARY OPERATIONS	62	59	0	0	62	59
RESTRICTED FOR JUDICIAL ACTIVITIES	115	233	0	0	115	233
RESTRICTED FOR TOURISM	7	2	0	0	7	2
UNRESTRICTED	6,637	5,824	(366)	(401)	6,271	5,423
TOTAL NET POSITION	$78,303	$76,633	$241	$224	$78,544	$76,857

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

A significant portion (85%) of the net position represents the *net investment in capital assets*. This includes land, buildings, machinery and equipment, and infrastructure assets, offset with associated long-term debt liabilities. Capital assets are restricted for the purpose of providing services to the citizens of Lumpkin County; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Other restricted net position components represent resources that are subject to external restrictions on how they may be used and total 7% of the total. Included in this category are unspent SPLOST proceeds for Debt Service Reserves (3.44% of the total), funds restricted

for capital projects (3.20% of the total), public safety activities (0.24% of the total), planning (.06% of the total), law library activities (0.08% of the total), judicial activities (0.15% of the total), and tourism (.01% of the total). The remaining 7.98% 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 2016 and 2015 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, 2016 and 2015
($ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2016	2015	2016	2015	2016	2015
REVENUES:						
PROGRAM REVENUES:						
CHARGES FOR SERVICES	$4,157	$4,441	$34	$35	4,191	$4,476
OPERATING GRANTS & CONTRIBUTIONS	1,146	1,297	0	0	1,146	1,297
CAPITAL GRANTS & CONTRIBUTIONS	1,296	1,830	0	0	1,296	1,830
GENERAL REVENUES:						
PROPERTY TAXES	10,627	9,334	0	0	10,627	9,334
SALES TAXES	5,681	5,756	0	0	5,681	5,756
OTHER TAXES	1,584	1,527	0	0	1,584	1,527
UNRESTRICTED INVESTMENT EARNINGS	52	35	0	0	52	35
TOTAL REVENUES	24,543	24,220	34	35	24,577	24,255
EXPENSES:						
GENERAL GOVERNMENT	4,270	4,358	0	0	4,270	4,358
PUBLIC SAFETY	9,918	9,474	0	0	9,918	9,474
JUDICIAL SYSTEM	2,348	2,262	0	0	2,348	2,262
PUBLIC WORKS	3,162	2,723	0	0	3,162	2,723
HEALTH & WELFARE	689	723	0	0	689	723
CULTURE & RECREATION	1,406	1,363	0	0	1,406	1,363
HOUSING & DEVELOPMENT	511	962	0	0	511	962
INTEREST	477	470	0	0	477	470
SOLID WASTE	0	0	109	123	109	123
TOTAL EXPENSES	22,781	22,335	109	123	22,890	22,458
INCREASE IN NET POSITION BEFORE TRANSFERS	1,762	1,885	(75)	(88)	1,687	1,797
TRANSFERS	(92)	(81)	92	81	(0)	(0)
INCREASE (DECREASE) IN NET POSITION	1,670	1,804	17	(7)	1,687	1,796
NET POSITION, BEGINNING OF YEAR	76,633	74,830	224	231	76,857	75,061
NET POSITION, END OF YEAR	$78,303	$76,633	$241	$224	$78,544	$76,857

Governmental Activities: Governmental activities accounted for $1.7 million of the excess in the County's net revenues over expenses for 2016 primarily due to the collection of back property taxes, interest and penalties, and capital grants and contributions.

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

Financial Analysis of the County's Funds

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

At the end of 2016, Lumpkin County Governmental Funds reported a combined fund balance of $12.9 million. This amount was up $0.5 million from 2015. Of the total combined fund balance, approximately 37.1% 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 43.39% 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 $6.33 million. This was a decrease from the previous year of $0.1 million. Of the $6.3 million, 75.84% is unassigned while the remaining 24.16% 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, 2016 had an outstanding principal balance of $7.6 million. The fund balance of the Debt Service Fund is $2.7 million.

SPLOST. This fund accounts for the 2014 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, 2016, the fund balance of this fund was $2.5 million.

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

Enterprise Fund. The Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises - where the costs (expenses, including depreciation) of providing goods or services to the general public are being financed or recovered primarily through user charges on a continuing basis. The Solid Waste Management Fund is the County's single enterprise fund. Total net position of the enterprise fund at the end of 2016 was $240 thousand, representing an increase of $16 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 net change in fund balance was $97 thousand below final budget amounts.

Capital Assets and Debt Administration

Capital Assets

At the end of 2016, the County had acquired $81.5 million (net of accumulated depreciation) in a broad range of capital assets for its governmental and business-type activities including land, buildings, park facilities, roads, bridges, heavy machinery, vehicles and equipment, and infrastructure.

- All infrastructure assets acquired to date are included in capital assets in accordance with GASB 34 requirements.
- Additional information on the County's capital assets can be found in Note 6 of the Notes to Financial Statements.

Debt Administration

Georgia Statutes provide for a general obligation debt limit of 10.0% of assessed valuation. The County had a general obligation debt capacity of $101 million in 2016. The County currently has no debt subject to the limitation.

At December 31, 2016, Lumpkin County had the following outstanding long-term debt:

- $15.5 million in notes payable and bonds payable.
- $337 thousand in compensated absences.
- $374 thousand in landfill postclosure costs
- $ 1.5 million in net pension liability.
- Additional information on the County's long-term debt can be found in Note 8 of the Notes to Financial Statements.

Economic Factors and Next Year's Budgets and Rates

Economic conditions in the County stabilized during 2016, with minimal growth in the business sector. New housing starts were up in the County during 2016, with no real impact to the tax base and increasing demands for services. In an effort to stimulate growth of light industry and shift more of the tax burden from homeowners, a project to extend water and sewerage service was begun during 2003 and was completed during 2006 in the southern part of the County. This project has been completed and the County is beginning to see some retail growth in that area of the County.

The 2017 budget planned for an increase in tax revenues to fund a Capital Improvement Program and a merit increase for employees. The economy has necessitated a tight spending budget for 2017 as the value of the digest continues to decline and the economy remains sluggish. The budget increased by $1.8 million, largely due to the tax increase. The County has also implemented a number of cost saving measures and is currently looking at joint ventures within the community to ease the burden placed on the operating budget.

Contacting the County's Financial Management

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

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LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government		
ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 21,427,532	$ -	$ 21,427,532
Investments	-	-	-
Receivables (net of allowance for uncollectibles)	3,143,001	5,731	3,148,732
Prepaid items	611,284	4,163	615,447
Inventories	105,569	-	105,569
Due from component units	58	-	58
Restricted cash and cash equivalents	-	-	-
Capital assets, nondepreciable	36,676,425	192,103	36,868,528
Capital assets, depreciable, net of accumulated depreciation	44,271,980	415,036	44,687,016
Total assets	106,235,849	617,033	106,852,882
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	535,777	-	535,777
Plan contributions subsequent to the measurement date - pension	277,885	-	277,885
Changes in proportion and difference between employer contributions and employer proportionate share of contributions - pension	-	-	-
Pension plan experience differences	72,325	-	72,325
Pension plan assumption changes	130,895	-	130,895
Net difference between projected and actual earnings on pension plan investments	177,393	-	177,393
Total deferred outflows of resources	1,194,275	-	1,194,275
LIABILITIES			
Accounts payable	630,118	1,100	631,218
Accrued liabilities	256,704	983	257,687
Customer deposits	-	-	-
Due to primary government	-	-	-
Noncurrent liabilities due within one year			
Compensated absences	336,672	428	337,100
Landfill closure and postclosure	-	22,000	22,000
Notes payable	908,978	-	908,978
Bonds payable	635,000	-	635,000
Noncurrent liabilities due in more than one year			
Compensated absences payable	-	-	-
Landfill closure and postclosure	-	352,000	352,000
Notes payable	6,875,719	-	6,875,719
Bonds payable	7,036,436	-	7,036,436
Net pension liability	1,510,585	-	1,510,585
Total liabilities	18,190,212	376,511	18,566,723
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues - property taxes	10,426,505	-	10,426,505
Unearned revenues - intergovernmental	510,614	-	510,614
Pension plan experience differences	-	-	-
Net difference between projected and actual earnings on pension plan investment	-	-	-
Total deferred inflows of resources	10,937,119	-	10,937,119
NET POSITION			
Net investment in capital assets	66,028,049	607,139	66,635,188
Restricted for:			
Debt service	2,703,505	-	2,703,505
Capital projects	3,471,720	-	3,471,720
Public safety activities	189,858	-	189,858
Planning department operations	55,390	-	55,390
Law library operations	62,064	-	62,064
Judicial activities	115,227	-	115,227
Tourism	6,938	-	6,938
Unrestricted	5,670,042	(366,617)	5,303,425
Total net position	$ 78,302,793	$ 240,522	$ 78,543,315

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

Component Units			
Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
$ 450,207	$ 663,890	$ 241,083	$ 583,523
-	-	1,154,804	-
5,097	2,131,419	10,748	238,383
-	4,251	-	20,626
-	-	-	26,914
-	-	-	-
-	1,901	-	-
-	67,833	-	465,863
2,855	2,226	-	4,751,886
458,159	2,871,520	1,406,635	6,087,195
-	-	-	52,364
84,985	-	-	-
60,844	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
145,829	-	-	52,364
5,940	1,658	-	364,280
-	19,116	-	6,396
-	-	-	101,075
-	-	-	58
23,825	-	-	8,475
-	-	-	-
-	-	-	14,659
-	58,520	-	273,427
13,401	-	-	-
-	-	-	-
-	-	-	436,046
-	1,403,262	-	900,612
592,598	-	-	-
635,764	1,482,556	-	2,105,028
-	-	-	-
-	-	-	-
4,735	-	-	-
42,757	-	-	-
47,492	-	-	-
2,855	70,059	-	3,297,392
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(82,123)	1,318,905	1,406,635	737,139
$ (79,268)	$ 1,388,964	$ 1,406,635	$ 4,034,531

LUMPKIN COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

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	$ 4,269,724	$ 971,306	$ 196,787	$ -
Judicial	2,347,819	931,997	386,687	-
Public safety	9,917,798	1,775,669	251,844	-
Public works	3,162,222	1,250	102,200	1,296,212
Health and welfare	689,702	29,765	208,588	-
Culture and recreation	1,405,555	244,733	-	-
Housing and development	511,145	202,500	-	-
Interest on long-term debt	477,229	-	-	-
Total governmental activities	22,781,194	4,157,220	1,146,106	1,296,212
Business-type activities:				
Solid waste management	109,819	33,852	-	-
Total business-type activities	109,819	33,852	-	-
Total primary government	$ 22,891,013	$ 4,191,072	$ 1,146,106	$ 1,296,212
Component units:				
Health Department	$ 791,476	$ 262,313	$ 586,837	$ -
Development Authority	208,288	165,233	-	-
Hospital Authority	65,013	-	-	-
Water and Sewerage Authority	937,783	1,183,544	-	688,638
Total component units	$ 2,002,560	$ 1,611,090	$ 586,837	$ 688,638
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Other taxes				
Unrestricted net investment earnings				
Miscellaneous				
Gain on sale of capital asset				
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
$ (3,101,631)	$ -	$ (3,101,631)	$ -	$ -	$ -	$ -
(1,029,135)	-	(1,029,135)	-	-	-	-
(7,890,285)	-	(7,890,285)	-	-	-	-
(1,762,560)	-	(1,762,560)	-	-	-	-
(451,349)	-	(451,349)	-	-	-	-
(1,160,822)	-	(1,160,822)	-	-	-	-
(308,645)	-	(308,645)	-	-	-	-
(477,229)	-	(477,229)	-	-	-	-
(16,181,656)	-	(16,181,656)	-	-	-	-
-	(75,967)	(75,967)	-	-	-	-
-	(75,967)	(75,967)	-	-	-	-
(16,181,656)	(75,967)	(16,257,623)	-	-	-	-
-	-	-	57,674	-	-	-
-	-	-	-	(43,055)	-	-
-	-	-	-	-	(65,013)	-
-	-	-	-	-	-	934,399
-	-	-	57,674	(43,055)	(65,013)	934,399
10,626,519	-	10,626,519	-	-	-	-
5,680,951	-	5,680,951	-	-	-	-
1,380,860	-	1,380,860	-	-	-	-
203,567	-	203,567	-	-	-	-
51,934	-	51,934	-	19,948	24,565	-
-	-	-	59,305	104	-	-
-	-	-	-	377,881	-	-
(92,274)	92,274	-	-	-	-	-
17,851,557	92,274	17,943,831	59,305	397,933	24,565	-
1,669,901	16,307	1,686,208	116,979	354,878	(40,448)	934,399
76,632,892	224,215	76,857,107	(196,247)	1,034,086	1,447,083	3,100,132
$ 78,302,793	$ 240,522	$ 78,543,315	$ (79,268)	$ 1,388,964	$ 1,406,635	$ 4,034,531

LUMPKIN COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

ASSETS	General	Debt Service	SPLOST	Nonmajor Governmental Funds	Total
Cash and cash equivalents	$ 14,050,110	$ 2,854,337	$ 2,474,707	$ 2,048,378	$ 21,427,532
Receivables (net of allowance for uncollectibles)	2,504,532	34,248	269,774	334,447	3,143,001
Inventories	105,569	-	-	-	105,569
Due from other funds	219,175	-	4,733	110,210	334,118
Due from component units	58	-	-	-	58
Prepaid items	567,345	-	-	43,939	611,284
Total assets	$ 17,446,789	$ 2,888,585	$ 2,749,214	$ 2,536,974	$ 25,621,562
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 377,883	$ -	$ 138,335	$ 113,900	$ 630,118
Other accrued liabilities	192,010	-	-	-	192,010
Due to other funds	110,210	-	99,554	124,354	334,118
Total liabilities	680,103	-	237,889	238,254	1,156,246
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	547,824	11,959	-	6,995	566,778
Unearned revenue - property taxes	9,887,130	185,080	-	354,295	10,426,505
Unavailable revenue - intergovernmental	-	-	-	4,410	4,410
Unearned revenue - intergovernmental	-	-	-	510,614	510,614
Total deferred inflows of resources	10,434,954	197,039	-	876,314	11,508,307
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	567,345	-	-	43,939	611,284
Inventories	105,569	-	-	-	105,569
Restricted for:					
Debt service	-	2,691,546	-	-	2,691,546
Capital projects	-	-	2,511,325	960,395	3,471,720
Public safety activities	-	-	-	189,858	189,858
Planning department operations	-	-	-	48,395	48,395
Law library operations	-	-	-	62,064	62,064
Judicial activities	-	-	-	110,817	110,817
Tourism	-	-	-	6,938	6,938
Assigned for:					
Fire station construction	375,000	-	-	-	375,000
Use of reserves in subsequent budget	481,615	-	-	-	481,615
Unassigned	4,802,203	-	-	-	4,802,203
Total fund balances	6,331,732	2,691,546	2,511,325	1,422,406	12,957,009
Total liabilities, deferred inflows of resources and fund balances	$ 17,446,789	$ 2,888,585	$ 2,749,214	$ 2,536,974	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	80,948,405
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	571,188
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(15,321,722)
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the County's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(852,087)
Net position of governmental activities	$ 78,302,793

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, 2016

	General	Debt Service	SPLOST	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	$ 14,242,199	$ 183,676	$ 3,150,478	$ 293,169	$ 17,869,522
Licenses and permits	37,300	-	-	194,047	231,347
Fines and forfeitures	542,695	-	-	97,011	639,706
Charges for services	2,248,526	-	-	591,107	2,839,633
Interest income	32,975	17,872	10,128	1,087	62,062
Intergovernmental	538,994	-	240,000	1,477,369	2,256,363
Contributions and donations	46,605	-	-	61,273	107,878
Other	402,555	-	-	43,979	446,534
Total revenues	18,091,849	201,548	3,400,606	2,759,042	24,453,045
Expenditures:					
Current:					
General government	3,477,533	-	-	315	3,477,848
Judicial	1,573,526	-	-	763,463	2,336,989
Public safety	8,354,781	-	-	916,039	9,270,820
Public works	1,254,434	-	-	162,299	1,416,733
Health and welfare	646,846	-	-	4,557	651,403
Culture and recreation	1,187,508	-	-	-	1,187,508
Housing and development	77,482	-	-	422,563	500,045
Intergovernmental	-	-	499,981	-	499,981
Capital outlay	-	-	2,356,858	1,458,713	3,815,571
Debt service:					
Principal	51,820	665,942	625,000	-	1,342,762
Interest	67,220	164,400	164,423	-	396,043
Issuance cost	-	-	-	40,000	40,000
Total expenditures	16,691,150	830,342	3,646,262	3,767,949	24,935,703
Excess (deficiency) of revenues over expenditures	1,400,699	(628,794)	(245,656)	(1,008,907)	(482,658)
Other financing sources (uses):					
Proceeds from the sale of capital assets	26,066	-	-	-	26,066
Issuance of notes payable	-	-	-	1,035,015	1,035,015
Transfers in	-	-	483,998	1,337,808	1,821,806
Transfers out	(1,523,557)	-	-	(390,523)	(1,914,080)
Total other financing sources (uses)	(1,497,491)	-	483,998	1,982,300	968,807
Net change in fund balances	(96,792)	(628,794)	238,342	973,393	486,149
Fund balances, beginning of year	6,428,524	3,320,340	2,272,983	449,013	12,470,860
Fund balances, end of year	$ 6,331,732	$ 2,691,546	$ 2,511,325	$ 1,422,406	$ 12,957,009

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, 2016

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	486,149
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		960,141
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		97,990
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(34,803)
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.		307,747
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.		(147,323)
Change in net position - governmental activities	$	1,669,901

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2016

	Solid Waste Management Fund
ASSETS	
Current assets:	
Receivables	$ 5,731
Prepaid items	4,163
Total current assets	9,894
Noncurrent assets:	
Capital assets:	
Capital assets, not being depreciated	192,103
Capital assets, being depreciated	1,029,560
Less accumulated depreciation	(614,524)
Total capital assets, net of accumulated depreciation	607,139
Total assets	617,033
LIABILITIES	
Current liabilities:	
Accounts payable	1,100
Other accrued liabilities	983
Compensated absences	428
Landfill postclosure, current	22,000
Total current liabilities	24,511
Long-term liabilities:	
Landfill postclosure	352,000
Total long-term liabilities	352,000
Total liabilities	376,511
NET POSITION	
Investment in capital assets	607,139
Unrestricted	(366,617)
Total net position	$ 240,522

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, 2016

	Solid Waste Management Fund
OPERATING REVENUES	
Charges for services	$ 33,852
Total operating revenues	33,852
OPERATING EXPENSES	
Salaries and benefits	45,500
Supplies and maintenance	46,406
Depreciation expense	17,913
Total operating expenses	109,819
Operating loss before transfers	(75,967)
Transfers in	92,274
Change in net position	16,307
NET POSITION, beginning of year	224,215
NET POSITION, end of year	$ 240,522

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, 2016

	Solid Waste Management Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 34,103
Payments to suppliers and service providers	(79,453)
Payments to employees	(46,924)
Net cash used in operating activities	(92,274)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer in from other funds	92,274
Net cash provided by noncapital financing activities	92,274
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	$ (75,967)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	17,913
Decrease in receivables	251
Increase in prepaids	(3,718)
Decrease in accounts payable	(5,749)
Increase in other accrued liabilities	325
Decrease in due to other funds	(1,580)
Decrease in compensated absences	(1,749)
Decrease in landfill postclosure care costs	(22,000)
Net cash used in operating activities	$ (92,274)

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2016

	Agency Funds
ASSETS	
Cash	$ 892,451
Taxes receivable	2,300,199
Accounts receivable	21,768
Total assets	$ 3,214,418
LIABILITIES	
Due to others	$ 914,219
Uncollected taxes due to other entities	2,300,199
Total liabilities	$ 3,214,418

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 ***capital projects funds*** account for large capital outlay projects funded locally, with state funding and federal funding.

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

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. 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. These items are accounted for using the consumption method.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of two years. Intangible assets, such as internally generated or purchased software, are defined as having an initial cost of $25,000 and an estimated useful life in excess of two years, and all remaining intangible assets are defined as having an initial cost in excess of $100,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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. One item that qualifies for reporting in this category is the deferred charge on refunding which is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

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.

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

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources (Continued)

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

I. Compensated Absences

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

J. Long-Term Obligations

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity

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

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

Fund balances are classified as follows:

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

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

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

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

L. Use of Estimates

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

M. Pensions

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

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

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $15,321,722 difference are as follows:

Notes payable	$	(7,784,697)
Revenue bonds payable		(7,645,000)
Premium on issuance of revenue bonds		(26,436)
Deferred loss on refunding		535,777
Accrued interest payable		(64,694)
Compensated absences		(336,672)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(15,321,722)

Another element of that reconciliation states that "deferred outflows of resources, deferred inflows of resources and the net pension liability related to the County's pension plan are not expected to be liquidated with expendable available resources and, therefore, are not reported in the funds." The details of this $852,087 difference are as follows:

Net pension liability	$	(1,510,585)
Deferred outflows of resources:		
Pension plan contributions subsequent to measurement date		277,885
Pension plan experience differences		72,325
Pension plan assumption changes		130,895
Net difference between projected and actual investment earnings		177,393
Net adjustment to decrease *fund balance- total governmental funds* to arrive at *net position - governmental activities*	$	(852,087)

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $960,141 difference are as follows:

Capital outlay	$	3,341,237
Depreciation expense		(2,381,096)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	960,141

Another element of the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position." The details of this $97,990 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.	$	(27,137)
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.		125,127
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	97,990

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

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

Another element of the reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this $307,747 difference are as follows:

Principal repayments of revenue bonds	$	625,000
Principal repayments of notes payable		717,762
Issuance of long term debt		(1,035,015)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	307,747

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 $147,323 difference are as follows:

Compensated absences	$	(14,147)
Amortization of original issue premium		4,333
Amortization of deferred charges on refunding		(48,706)
Accrued interest		3,187
Net pension liability and related deferred outflows and inflows of resources		(91,990)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(147,323)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

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

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

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Excess Expenditures Over Appropriations

For the year ended December 31, 2016 expenditures exceeded the budget in the funds and General Fund departments as follows:

Fund/Department	Excess
General Fund - Judicial Administration	$ 451
General Fund - District Attorney	2,742
General Fund - Fire	32,489

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

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, 2016, the County's deposits were insured and/or collateralized as defined by state statutes and GASB pronouncements.

B. Component Unit – Hospital Authority

Credit risk. State statutes authorize the Authority to invest in U.S. Government obligations; U.S. Government agency obligations; obligations of the State of Georgia; obligations of other counties; municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's Investors Service, Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by the U.S. Government or agency obligations; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. Investments are stated at fair value, based on quoted market prices.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

B. Component Unit – Hospital Authority (Continued)

Categorization of investments. As of December 31, 2016, the Hospital Authority had the following investments:

Investment	Maturity	Rating (S&P)	Fair Value
GA Municipal Association COP	December 1, 2023	AA	$ 106,154
GA State Revenue Bonds	December 1, 2041	AAA	180,962
Federal Farm Credit Bank	September 15, 2029	AA+	100,728
City of Americus Bonds	June 1, 2030	AA	119,350
City of Dahlonega Revenue Bonds	July 1, 2030	AA	207,274
Tennessee Valley Authority	July 15, 2033	AA+	117,562
Federal Farm Credit Bank	June 8, 2037	AA+	117,512
Decatur GA School System COP	May 1, 2044	AA-	205,262
	Total		$ 1,154,804

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.

Fair Value Measurements. The Hospital Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Hospital Authority has the following recurring fair value measurements as of December 31, 2016:

Investment	Level 1	Level 2	Fair Value
GA Municipal Association COP	$ -	$ 106,154	$ 106,154
GA State Revenue Bonds	-	180,962	180,962
Federal Farm Credit Bank	-	218,240	218,240
City of Americus Bonds	-	119,350	119,350
City of Dahlonega Revenue Bonds	-	207,274	207,274
Tennessee Valley Authority	117,562	-	117,562
Decatur GA School System COP	-	205,262	205,262
Total investments measured at fair value	$ 117,562	$ 1,037,242	$ 1,154,804

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

The Tennessee Valley Authority classified in Level 1 of the fair value hierarchy is valued using prices quoted in active markets for that investment. The investments in Georgia Municipal Association, Georgia State Revenue Bonds, Federal Farm Credit Bank, City of Americus Bonds, City of Dahlonega Revenue Bonds, and Decatur Georgia School System COP classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Custodial credit risk. As of December 31, 2016, all of the Hospital Authority's deposits and investments were collateralized with the depository financial institution.

NOTE 5. RECEIVABLES

A. Primary Government

Receivables at December 31, 2016, 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	$ 1,697,774	$ 34,248	$ 269,774	$ -	$ 60,702
Other governments	441,559	-	-	-	153,568
Accounts	1,344,997	-	-	5,731	120,177
Gross receivables	3,484,330	34,248	269,774	5,731	334,447
Less allowance for uncollectibles	(979,798)	-	-	-	-
Net receivables	$ 2,504,532	$ 34,248	$ 269,774	$ 5,731	$ 334,447

Property taxes for the 2016 fiscal year were levied on September 15, 2015, with property values assessed as of January 1, 2015. Bills are payable on or before November 15, 2015, 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 2016 are to fund operations for the County's fiscal year beginning January 1, 2017. Amounts recorded as a receivable as well as amounts collected as of December 31, 2016 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.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 20,273,231	$ 46,328	$ -	$ -	$ 20,319,559
Infrastructure land improvements	15,873,158	96,815	-	-	15,969,973
Construction in progress	400,668	39,680	-	(53,455)	386,893
Total capital assets, not being depreciated	36,547,057	182,823	-	(53,455)	36,676,425
Capital assets, being depreciated:					
Buildings and improvements	41,420,974	804,213	-	53,455	42,278,642
Machinery and equipment	5,126,906	440,877	(31,580)	-	5,536,203
Vehicles	4,792,756	811,501	(151,920)	-	5,452,337
Infrastructure	20,874,821	1,226,950	(302,967)	-	21,798,804
Total capital assets, being depreciated	72,215,457	3,283,541	(486,467)	53,455	75,065,986
Less accumulated depreciation for:					
Buildings and improvements	8,855,469	916,566	-	-	9,772,035
Machinery and equipment	3,289,607	272,698	(28,422)	-	3,533,883
Vehicles	3,114,136	394,207	(136,320)	-	3,372,023
Infrastructure	13,613,028	797,625	(294,588)	-	14,116,065
Total accumulated depreciation	28,872,240	2,381,096	(459,330)	-	30,794,006
Total capital assets, being depreciated, net	43,343,217	902,445	(27,137)	53,455	44,271,980
Governmental activities capital assets, net	$ 79,890,274	$ 1,085,268	$ (27,137)	$ -	$ 80,948,405

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	551,470	-	-	551,470
Machinery and equipment	134,506	-	-	134,506
Vehicles	52,000	-	-	52,000
Total capital assets, being depreciated	1,029,561	-	-	1,029,561
Less accumulated depreciation for:				
Land improvements	291,585	-	-	291,585
Buildings and improvements	156,176	12,970	-	169,146
Machinery and equipment	102,051	4,943	-	106,994
Vehicles	46,800	-	-	46,800
Total accumulated depreciation	596,612	17,913	-	614,525
Total capital assets, being depreciated, net	432,949	(17,913)	-	415,036
Business-type activities capital assets, net	$ 625,052	$ (17,913)	$ -	$ 607,139

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	$ 602,397
Public safety	620,166
Public works	898,089
Health and welfare	33,014
Culture and recreation	218,352
Housing and development	9,078
Total depreciation expense - governmental activities	$ 2,381,096

B. Discretely Presented Component Unit – Water Authority

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases and Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	$ 21,349	$ 29,963	$ -	$ 51,312
Construction in progress	75,706	975,759	(636,914)	414,551
Total	97,055	1,005,722	(636,914)	465,863
Capital assets, being depreciated:				
Infrastructure	6,449,831	-	636,914	7,086,745
Machinery and equipment	102,111	4,046	-	106,157
Vehicles	68,002	3,000	-	71,002
Total	6,619,944	7,046	636,914	7,263,904
Less accumulated depreciation for:				
Infrastructure	(2,204,375)	(183,711)	-	(2,388,086)
Machinery and equipment	(63,759)	(8,701)	-	(72,460)
Vehicles	(44,574)	(6,898)	-	(51,472)
Total	(2,312,708)	(199,310)	-	(2,512,018)
Total capital assets, being depreciated, net	4,307,236	(192,264)	636,914	4,751,886
Total capital assets, net	$ 4,404,291	$ 813,458	$ -	$ 5,217,749

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2016, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	SPLOST Fund	$ 99,554
General Fund	Nonmajor Governmental Funds	119,621
SPLOST Fund	Nonmajor Governmental Funds	4,733
Nonmajor Governmental Funds	General Fund	110,210

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. The balance between the SPLOST Fund and the Nonmajor Governmental Funds relates to supplemental funding of a SPLOST project.

Interfund transfers for the year ended December 31, 2016 were as follows:

Transfers In	Transfers Out	Amount
Solid Waste Fund	General Fund	$ 92,274
Nonmajor governmental funds	General Fund	1,337,808
SPLOST Fund	General Fund	93,475
SPLOST Fund	Nonmajor governmental funds	390,523

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	Water & Sewerage Authority	$ 58

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Revenue bonds	$ 8,270,000	$ -	$ (625,000)	$ 7,645,000	$ 635,000
Plus: Premium	30,769	-	(4,333)	26,436	-
Total revenue bonds	8,300,769	-	(629,333)	7,671,436	635,000
Notes payable	7,467,444	1,035,015	(717,762)	7,784,697	908,978
Net pension liability	1,071,746	728,661	(289,822)	1,510,585	-
Compensated absences	322,525	353,857	(339,710)	336,672	336,672
Governmental activities long-term liabilities	$ 17,162,484	$ 2,117,533	$ (1,976,627)	$ 17,303,390	$ 1,880,650
Business-type Activities:					
Landfill postclosure costs	$ 396,000	$ -	$ (22,000)	$ 374,000	$ 22,000
Compensated absences	2,177	457	(2,206)	428	428
Business-type activities long-term liabilities	$ 398,177	$ 457	$ (24,206)	$ 374,428	$ 22,428

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

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

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

Year ending December 31,	Principal	Interest	Total
2017	$ 610,000	$ 15,311	$ 625,311
Total	$ 610,000	$ 15,311	$ 625,311

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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, 2016, was $6,139,683 which is 51% of the total debt outstanding. The note carries an interest rate of 3%.

In April 2016, the County entered into a 5-year and 10-year note payable agreement with the Association of County Commissioners of Georgia (ACCG) to purchase various equipment and vehicles in the amount of $606,542 and $428,563 respectively. Due to the County receiving proceeds subsequent to the agreement, the debt issuance is recorded as two notes payable. The notes carry an interest rate of 1.44% for the 5-year agreement and 1.91% for the 10-year agreement.

The County's debt service requirements to maturity on the GEFA notes payable and ACCG notes payables are as follows:

Year ending December 31,	Principal	Interest	Total
2017	$ 298,978	$ 199,308	$ 498,286
2018	305,882	192,405	498,287
2019	312,818	185,469	498,287
2020	319,928	178,358	498,286
2021	327,233	171,054	498,287
2022-2026	1,100,622	757,850	1,858,472
2027-2031	1,017,778	603,229	1,621,007
2032-2036	1,182,268	438,739	1,621,007
2037-2041	1,373,342	247,665	1,621,007
2042-2046	935,848	46,115	981,963
Total	$ 7,174,697	$ 3,020,192	$ 10,194,889

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
2017	$ 635,000	$ 151,278	$ 786,278
2019	645,000	138,578	783,578
2019	660,000	125,676	785,676
2020	670,000	117,428	787,428
2021	680,000	107,378	787,378
2022-2026	3,590,000	339,730	3,929,730
2027	765,000	19,125	784,125
Total	$ 7,645,000	$ 999,193	$ 8,644,193

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, 2016, the County has 17 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately $374,000 over the 17 year period. These costs are based on what it would cost to perform all post-closure care in 2016, 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, 2016 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	$ 1,276,076	$ -	$ (1,276,076)	$ -	$ -
Bonds payable	1,067,573	432,427	(38,218)	1,461,782	58,520
	$ 2,343,649	$ 432,427	$ (1,314,294)	$ 1,461,782	$ 58,520

Bonds Payable. On March 30, 2015, the Development Authority issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The total maximum amount to be issued is $1,500,000 with a 10 year maturity date of March 1, 2026. The repayment is interest only through March 1, 2016 with an interest rate of Libor plus 2.1%. After March 1, 2016, principal and interest will be paid monthly through maturity with a fixed interest rate of 2.64% with a balloon payment of the remaining balance March 1, 2026. As of December 31, 2016 the outstanding balance is $1,461,782. In the event that the Development Authority is unable to meet payment obligations, the full faith, credit and taxing power of Lumpkin County is ultimately responsible.

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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

Year ending December 31,	Principal	Interest	Total
2017	$ 58,520	$ 38,436	$ 96,956
2018	60,107	36,848	96,955
2019	61,738	35,218	96,956
2020	63,317	33,638	96,955
2021	65,130	31,825	96,955
2022-2026	1,152,970	75,776	1,228,746
Total	$ 1,461,782	$ 251,741	$ 1,713,523

Interest expense for the year ended December 31, 2016 is $51,611. $9,711 of interest was capitalized during fiscal year 2016.

C. Discretely Presented Component Unit – Water Authority

Long-term debt activity for the year ended December 31, 2016 for the Water Authority is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	$ 1,442,297	$ -	$ (268,258)	$ 1,174,039	$ 273,427
Notes payable	261,800	212,785	(23,880)	450,705	14,659
Compensated absences	7,496	15,314	(14,335)	8,475	8,475
Total long-term liabilities	$ 1,711,593	$ 228,099	$ (306,473)	$ 1,633,219	$ 296,561

Bonds Payable. On May 1, 2013, the Water Authority issued the Lumpkin County Water and Sewerage Authority Revenue Refunding Bond, Series 2013. The bond was issued for the purpose of refunding and paying off the outstanding principal amount, premium and accrued interest on the Lumpkin County Water and Sewerage Authority Water Revenue Bond, Series 2010. The Series 2013 bonds bear interest at 1.910% and is payable in monthly installments of $24,456 which includes principal and interest. As a result of this transaction, the Water Authority reports a deferred charge on refunding which is reported as a deferred outflow of resources. This item is being recognized as an expense (amortized) over the life of the bonds and has a balance of $52,364 as of December 31, 2016.

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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

Year ending December 31,	Principal	Interest	Total
2017	$ 273,427	$ 20,048	$ 293,475
2018	278,696	14,779	293,475
2019	284,065	9,410	293,475
2020	289,539	3,936	293,475
2021	48,312	117	48,429
Total	$ 1,174,039	$ 48,290	$ 1,222,329

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

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

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

Year ending December 31,	Principal	Interest	Total
2017	$ 14,659	$ 7,417	$ 22,076
2018	12,480	6,527	19,007
2019	12,860	6,147	19,007
2020	13,251	5,756	19,007
2021	13,654	5,353	19,007
2022-2026	74,757	20,278	95,035
2027-2031	86,839	8,196	95,035
2032	9,420	666	10,086
Total	$ 237,920	$ 60,340	$ 298,260

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

On February 24, 2015, the Authority executed a promissory note to the Georgia Environmental Finance Authority (GEFA) to borrow up to $1 million from the Drinking Water State Revolving Fund for the construction of a 500,000 gallon elevated water storage tank. The unpaid principal balance of the note will bear interest at 2.03% and will be payable monthly until the project is completed or January 1, 2018 (whichever is earlier). At that time, the note will be finalized and will enter into its repayment phase whereby principal and interest will be due in two hundred thirty-nine (239) equal monthly installments until the note is fully repaid. As of December 31, 2016, the Authority had made draws totaling $212,785 on this note payable to GEFA. As the project is still in the construction phase, an amortization schedule has not been determined for this note and thus the entire payable is reported as due in more than one year.

On March 15, 2016, the Authority executed a promissory note to the GEFA to borrow up to $750,000 from the Drinking Water State Revolving Fund to finance the costs of acquiring, constructing, and installing water mains and appurtenances. The unpaid principal balance of the note will bear interest at 0.52% and will be payable monthly until the project is completed or October 1, 2017 (whichever is earlier). At that time, the note will be finalized and will enter into its repayment phase whereby principal and interest will be due in one hundred-nineteen (119) equal monthly installments until the note is fully repaid. As of December 31, 2016, the Authority has not made any draws on this note.

NOTE 9. DEFINED BENEFIT PLAN

A. Primary Government

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, The Lumpkin County Defined Benefit Plan (the "Plan"), covering substantially all of the County's employees. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia (ACCG). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Plan benefits are provided for Plan participants who were participants in the Plan before January 1, 2004 whereby retirees receive between 1% and 1.75% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. Plan benefits are provided for Plan participants who were participants in the Plan on or after January 1, 2004 whereby retirees receive 1% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to the Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan membership. As of January 1, 2016, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Retireees, Beneficiaries and Disables receiving benefits	36
Terminated plan participants entitled to but not yet receiving benefits	127
Active employees participating in the Plan	138
Total number of Plan participants	301

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended December 31, 2016, the County's contribution rate was 5.1% of annual payroll. County contributions to the Plan were $277,885 for the year ended December 31, 2016.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2015.

Actuarial assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.0% - 7.5%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study through December 31, 2014.

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015 are summarized in the following table:

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

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

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

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended December 31, 2016, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/15	$ 3,632,065	$ 2,560,319	$ 1,071,746
Changes for the year:			
Service cost	155,942	-	155,942
Interest	283,967	-	283,967
Differences between expected and actual experience	88,048		88,048
Assumption changes	159,350		159,350
Contributions—employer	-	289,822	(289,822)
Net investment income	-	(3,783)	3,783
Benefit payments, including refunds of employee contributions	(114,386)	(114,386)	-
Administrative expense	-	(28,468)	28,468
Other changes	-	(9,103)	9,103
Net changes	572,921	134,082	438,839
Balances at 12/31/16	$ 4,204,986	$ 2,694,401	$ 1,510,585

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
County's net pension liability	$ 2,214,975	$ 1,510,585	$ 938,528

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Sensitivity of the net pension liability to changes in the discount rate. **(Continued)**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2015 and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2016, the County recognized pension expense of $369,875. At December 31, 2016, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Plan contributions made subsequent to the measurement period	$ 277,885
Assumption changes	130,895
Experience differences	72,325
Net difference between projected and actual earnings on pension plan investments	177,393
Total	$ 658,498

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

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

County contributions subsequent to the measurement date of $277,885 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:		
2017	$	89,889
2018		89,889
2019		89,889
2020		84,438
2021		26,508
Total	$	380,613

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, 2016, the County's covered payroll for employees participating in this plan was $5,206,320 and total payroll was $8,955,380. The County's contribution was $209,995 and employee contributions were $147,654.

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 March 2015, the Development Authority of Lumpkin County obtained financing from a financial institution in the form of Taxable Industrial Development Revenue Bonds, Series 2015 in the maximum principal amount of $1,500,000. Subsequently, the County guaranteed these bonds in accordance with an intergovernmental contract signed between the Development Authority and the County dated March 30, 2015. Payments on the loan are due in monthly installments of principal and interest for a term of 120 monthly payments. As of December 31, 2016, the outstanding balance of the loan is $1,461,782. In the event that the Development Authority has insufficient funds on deposit to enable the Development Authority to pay the principal and interest on the loan, the County will be required to transfer funds to the Development Authority such that payments from the County, when added to amounts available in the Development Authority's accounts, will be sufficient to pay principal and interest currently due.

In March 2016, the Lumpkin County Water and Sewerage Authority entered into an intergovernmental contract relating to $750,000 the Authority borrowed from the Drinking Water State Revolving fund administered by Georgia Environmental Finance Authority (GEFA). Subsequently, the County guaranteed these notes in accordance with an intergovernmental contract signed between the Water and Sewerage Authority and the County dated March 15, 2016. Payments on the loan are due in monthly installments of principal and interest for a term of 119 monthly payments. As of December 31, 2016, the Authority has not made any draws on this note. In the event that the Water and Sewerage Authority has insufficient funds on deposit to enable the Water and Sewerage Authority to pay the principal and interest on the loan, the County will be required to transfer funds to the Water and Sewerage Authority such that payments from the County, when added to amounts available in the Water and Sewerage 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, 2016, the County paid $27,339 in such dues. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

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

Georgia Mountains Regional Commission
P.O. Box 1720
Gainesville, GA 30501

The County participates with Union, Banks 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, 2016, the County made no payments to the Authority. As of December 31, 2016, 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, 2016, the County collected $167,336 in hotel/motel taxes. For the same year then ended, the hotel/motel tax fund reported expenditures of $162,452 for the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTE 15. TAX ABATEMENTS

The County enters into property tax abatement agreements with the Development Authority of Lumpkin County and local businesses under the state law O.C.G.A Section 36-62-1. Under the Act, and in accordance with Lumpkin County Resolution 2006-18, localities may grant property tax abatements of up to 100 percent of a business' property tax bill in year one, through a property tax credit, with the amount reducing 10% each subsequent year, for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County and meeting certain investment targets.

For the fiscal year ended December 31, 2016, the County abated property taxes totaling $114,588 under this program, including the following tax abatement agreements:

- A 100 percent property tax abatement to a company for relocating in the County, produce jobs and investment in the community. The company is in year 1 of tax abatement. The abatement amounted to $9,659. If the company does not meet the community jobs goals and the community investment goals, 100% of the ad valorem property taxes saved for that year will be recaptured by the Development Authority.
- A 60 percent property tax reduction for a local business expanding its existing manufacturing capabilities and increasing employment. The local business is in year 5 of tax abatement. The abatement amounted to $104,929. If the local business does not meet the community jobs goals and community investment goals, 100% of the ad valorem property taxes saved for that year will be recaptured pro rata by each taxing authority.

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LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 15,267,705	$ 15,677,857	$ 14,242,199	$ (1,435,658)
Licenses and permits	40,000	40,000	37,300	(2,700)
Fines and forfeitures	496,300	546,300	542,695	(3,605)
Charges for services	2,212,246	2,386,517	2,248,526	(137,991)
Interest income	16,029	35,029	32,975	(2,054)
Intergovernmental	479,114	571,944	538,994	(32,950)
Contributions and donations	20,000	20,000	46,605	26,605
Other	285,419	437,895	402,555	(35,340)
Total revenues	18,816,813	19,715,542	18,091,849	(1,623,693)
Expenditures:				
Current:				
General government:				
Legislative	137,133	158,798	148,354	10,444
Executive	240,771	246,058	244,890	1,168
Board of elections	192,069	195,859	169,936	25,923
Human resources	207,206	222,180	211,714	10,466
Financial administration	497,436	508,787	491,655	17,132
Data processing	250,846	200,164	188,433	11,731
Tax commissioner	396,926	401,665	390,113	11,552
Public/General buildings	758,334	812,650	795,470	17,180
Customer service	442,142	442,142	344,115	98,027
Tax assessor	424,500	490,633	469,863	20,770
Risk management	16,000	25,536	22,990	2,546
Total general government	3,563,363	3,704,472	3,477,533	226,939
Judicial:				
Judicial administration	208,415	208,415	208,866	(451)
Superior court	210,620	324,123	314,162	9,961
Clerk superior court	582,085	588,302	563,244	25,058
District attorney	22,500	22,500	25,242	(2,742)
Magistrate court	225,320	227,873	222,206	5,667
Probate court	244,567	255,088	239,806	15,282
Total judicial	1,493,507	1,626,301	1,573,526	52,775
Public safety:				
Police	106,017	106,017	103,964	2,053
Fire	3,167,830	2,862,830	2,895,319	(32,489)
Sheriff	5,077,580	5,109,761	4,978,166	131,595
Emergency medical services	102,322	102,322	91,125	11,197
Coroner	55,466	55,466	46,767	8,699
Other protection	251,923	257,588	239,440	18,148
Total public safety	8,761,138	8,493,984	8,354,781	139,203
Public works:				
Public works administration	56,370	57,071	56,293	778
Highways and streets	1,122,923	1,072,923	994,400	78,523
Sanitation and wastewater	239,465	239,465	203,741	35,724
Total public works	1,418,758	1,369,459	1,254,434	115,025

(Continued)

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health	$ 213,742	$ 213,742	$ 209,085	$ 4,657
Welfare	15,000	15,000	15,000	-
Community services	456,663	453,854	422,761	31,093
Total health and welfare	685,405	682,596	646,846	35,750
Culture and recreation:				
Participant recreation	735,814	738,808	697,278	41,530
Special facilities	87,996	129,151	126,130	3,021
Library	364,100	364,100	364,100	-
Total culture and recreation	1,187,910	1,232,059	1,187,508	44,551
Housing and development:				
Conservation	56,473	57,293	57,094	199
Economic development	849,546	849,546	20,388	829,158
Total housing and development	906,019	906,839	77,482	829,357
Debt service:				
Principal	51,820	51,820	51,820	-
Interest	67,220	67,220	67,220	-
Total debt service	119,040	119,040	119,040	-
Total expenditures	18,135,140	18,134,750	16,691,150	1,443,600
Excess of revenues over expenditures	681,673	1,580,792	1,400,699	(180,093)
Other financing sources (uses):				
Proceeds from the sale of capital assets	1,500	25,500	26,066	566
Transfers in	500	500	-	(500)
Transfers out	(683,673)	(1,606,792)	(1,523,557)	83,235
Total other financing sources (uses)	(681,673)	(1,580,792)	(1,497,491)	83,301
Net change in fund balances	-	-	(96,792)	(96,792)
Fund balances, beginning of year	6,428,524	6,428,524	6,428,524	-
Fund balances, end of year	$ 6,428,524	$ 6,428,524	$ 6,331,732	$ (96,792)

LUMPKIN COUNTY, GEORGIA

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

	2016	2015
Total pension liability		
Service cost	$ 155,942	$ 148,305
Interest on total pension liability	283,967	246,481
Differences between expected and actual experience	88,048	-
Changes of assumptions	159,350	-
Benefit payments, including refunds of employee contributions	(114,386)	(98,269)
Net change in total pension liability	572,921	296,517
Total pension liability - beginning	3,632,065	3,335,548
Total pension liability - ending (a)	$ 4,204,986	$ 3,632,065
Plan fiduciary net position		
Contributions - employer	289,822	247,977
Net investment income	(3,783)	149,298
Benefit payments, including refunds of employee contributions	(114,386)	(98,269)
Administrative expenses	(28,468)	(26,949)
Other	(9,103)	2
Net change in plan fiduciary net position	134,082	272,059
Plan fiduciary net position - beginning	2,560,319	2,288,260
Plan fiduciary net position - ending (b)	$ 2,694,401	$ 2,560,319
County's net pension liability - ending (a) - (b)	$ 1,510,585	$ 1,071,746
Plan fiduciary net position as a percentage of the total pension liability	64.1%	70.5%
Covered-employee payroll	$ 5,319,203	$ 5,086,023
County's net pension liability as a percentage of covered employee payroll	28.4%	21.1%

Notes to the Schedule

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

LUMPKIN COUNTY, GEORGIA

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

	2016	2015	2014
Actuarially determined contribution	$ 277,885	$ 249,652	$ 247,977
Contributions in relation to the actuarially determined contribution	277,885	289,822	247,977
Contribution deficiency (excess)	$ -	$ (40,170)	$ -
Covered-employee payroll	5,493,661	5,319,203	5,086,023
Contributions as a percentage of Covered-employee payroll	5.1%	4.7%	4.9%

Notes to the Schedule

Valuation Date	January 1, 2015
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period.
Assumed Rate of Return On Investments	7.50%
Projected Salary Increases	5.0% - 7.5% (including 3.00% for inflation)
Cost-of-living Adjustment	N/A
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

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

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

LUMPKIN COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	Special Revenue Funds						
ASSETS	Drug Rehabilitation Fund	Law Library Fund	Emergency Telephone System Fund	Juvenile Services Fund	Confiscated Assets Fund	Special Programs Fund	Public Defender Fund
Cash and cash equivalents	$ 3,543	$ 62,064	$ -	$ -	$ 3,513	$ 59,378	$ 38,042
Receivables, net of allowance for uncollectibles	1,350	-	95,322	-	1,020	3,815	18,670
Due from other funds	53,676	-	-	10,615	-	-	-
Prepaid items	-	-	9,624	-	-	-	26,651
Total assets	$ 58,569	$ 62,064	$ 104,946	$ 10,615	$ 4,533	$ 63,193	$ 83,363
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ 21,947	$ -	$ -	$ 579	$ 19,590
Due to other funds	-	-	-	-	-	9,233	1,097
Total liabilities	-	-	21,947	-	-	9,812	20,687
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	-	-	9,624	-	-	-	26,651
Restricted for:							
Public safety activities	58,569	-	73,375	-	4,533	53,381	-
Planning department operations	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Law library operations	-	62,064	-	-	-	-	-
Judicial activities	-	-	-	10,615	-	-	36,025
Tourism	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	58,569	62,064	82,999	10,615	4,533	53,381	62,676
Total liabilities, deferred inflows of resources, and fund balances	$ 58,569	$ 62,064	$ 104,946	$ 10,615	$ 4,533	$ 63,193	$ 83,363

					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
$ 18,919	$ -	$ 20,997	$ 334,226	$ 995,082	$ 511,614	$ 1,000	$ 2,048,378
-	45,672	10,713	49,989	-	-	107,896	334,447
13,294	195	-	32,430	-	-	-	110,210
-	2,646	-	5,018	-	-	-	43,939
$ 32,213	$ 48,513	$ 31,710	$ 421,663	$ 995,082	$ 511,614	$ 108,896	$ 2,536,974
$ 2,678	$ 6,815	$ 24,772	$ 6,960	$ 30,559	$ -	$ -	$ 113,900
-	-	-	-	4,733	1,000	108,291	124,354
2,678	6,815	24,772	6,960	35,292	1,000	108,291	238,254
-	-	-	6,995	-	-	-	6,995
-	-	-	354,295	-	-	-	354,295
-	4,410	-	-	-	-	-	4,410
-	-	-	-	-	510,614	-	510,614
-	4,410	-	361,290	-	510,614	-	876,314
-	2,646	-	5,018	-	-	-	43,939
-	-	-	-	-	-	-	189,858
-	-	-	48,395	-	-	-	48,395
-	-	-	-	959,790	-	605	960,395
-	-	-	-	-	-	-	62,064
29,535	34,642	-	-	-	-	-	110,817
-	-	6,938	-	-	-	-	6,938
-	-	-	-	-	-	-	-
29,535	37,288	6,938	53,413	959,790	-	605	1,422,406
$ 32,213	$ 48,513	$ 31,710	$ 421,663	$ 995,082	$ 511,614	$ 108,896	$ 2,536,974

LUMPKIN COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue Funds						
	Drug Rehabilitation Fund	Law Library Fund	Emergency Telephone System Fund	Juvenile Services Fund	Confiscated Assets Fund	Special Programs Fund	Public Defender Fund
Revenues:							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-
Fines and forfeitures	71,128	16,473	-	-	9,410	-	-
Charges for services	-	-	528,530	900	-	36,308	-
Interest income	-	-	-	-	35	84	347
Intergovernmental	-	-	-	-	-	3,400	236,913
Contributions and donations	-	-	-	-	-	61,273	-
Other revenues	-	-	-	-	-	-	25,009
Total revenues	71,128	16,473	528,530	900	9,445	101,065	262,269
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Judicial	72,000	13,636	-	-	-	-	387,160
Public safety	16,000	-	701,675	-	10,626	85,280	-
Public works	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Issuance cost	-	-	-	-	-	-	-
Total expenditures	88,000	13,636	701,675	-	10,626	85,280	387,160
Excess (deficiency) of revenues over expenditures	(16,872)	2,837	(173,145)	900	(1,181)	15,785	(124,891)
Other financing sources (uses):							
Transfers in	-	-	158,623	-	-	-	105,951
Transfers out	-	-	-	-	-	-	-
Issuance of notes payable	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	158,623	-	-	-	105,951
Net change in fund balances	(16,872)	2,837	(14,522)	900	(1,181)	15,785	(18,940)
Fund balances (deficit), beginning of year	75,441	59,227	97,521	9,715	5,714	37,596	81,616
Fund balances (deficit), end of year	$ 58,569	$ 62,064	$ 82,999	$ 10,615	$ 4,533	$ 53,381	$ 62,676

				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
$ -	$ -	$ 167,336	$ 125,833	$ -	$ -	$ -	$ 293,169
-	-	-	194,047	-	-	-	194,047
-	-	-	-	-	-	-	97,011
16,916	-	-	8,453	-	-	-	591,107
-	-	176	378	67	-	-	1,087
-	360,723	-	-	-	390,523	485,810	1,477,369
-	-	-	-	-	-	-	61,273
-	18,970	-	-	-	-	-	43,979
16,916	379,693	167,512	328,711	67	390,523	485,810	2,759,042
-	315	-	-	-	-	-	315
17,825	258,842	-	-	14,000	-	-	763,463
-	15,183	-	-	87,275	-	-	916,039
-	148,738	-	-	12,047	-	1,514	162,299
-	-	-	-	4,557	-	-	4,557
-	-	162,452	260,111	-	-	-	422,563
-	-	-	-	978,946	-	479,767	1,458,713
-	-	-	-	40,000	-	-	40,000
17,825	423,078	162,452	260,111	1,136,825	-	481,281	3,767,949
(909)	(43,385)	5,060	68,600	(1,136,758)	390,523	4,529	(1,008,907)
-	-	-	-	1,073,234	-	-	1,337,808
-	-	-	-	-	(390,523)	-	(390,523)
-	-	-	-	1,035,015	-	-	1,035,015
-	-	-	-	2,108,249	(390,523)	-	1,982,300
(909)	(43,385)	5,060	68,600	971,491	-	4,529	973,393
30,444	80,673	1,878	(15,187)	(11,701)	-	(3,924)	449,013
$ 29,535	$ 37,288	$ 6,938	$ 53,413	$ 959,790	$ -	$ 605	$ 1,422,406

LUMPKIN COUNTY, GEORGIA
DRUG REHABILITATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 40,000	$ 40,000	$ 71,128	$ 31,128
Total revenues	40,000	40,000	71,128	31,128
Expenditures:				
Current:				
Judicial	25,000	75,000	72,000	3,000
Public safety	15,000	19,000	16,000	3,000
Total expenditures	40,000	94,000	88,000	6,000
Net changes in fund balances	-	(54,000)	(16,872)	37,128
Fund balances, beginning of year	75,441	75,441	75,441	-
Fund balances, end of year	$ 75,441	$ 21,441	$ 58,569	$ 37,128

LUMPKIN COUNTY, GEORGIA
LAW LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 25,000	$ 25,000	$ 16,473	$ (8,527)
Total revenues	25,000	25,000	16,473	(8,527)
Expenditures:				
Current:				
Judicial	25,000	25,000	13,636	11,364
Total expenditures	25,000	25,000	13,636	11,364
Net changes in fund balances	-	-	2,837	2,837
Fund balances, beginning of year	59,227	59,227	59,227	-
Fund balances, end of year	$ 59,227	$ 59,227	$ 62,064	$ 2,837

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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 524,850	$ 524,850	$ 528,530	$ 3,680
Total revenues	524,850	524,850	528,530	3,680
Expenditures:				
Current:				
Public safety	703,603	703,603	701,675	1,928
Total expenditures	703,603	703,603	701,675	1,928
Deficiency of revenues over expenditures	(178,753)	(178,753)	(173,145)	5,608
Other financing sources:				
Transfers in	178,753	178,753	158,623	(20,130)
Total other financing sources	178,753	178,753	158,623	(20,130)
Net changes in fund balances	-	-	(14,522)	(14,522)
Fund balances, beginning of year	97,521	97,521	97,521	-
Fund balances, end of year	$ 97,521	$ 97,521	$ 82,999	$ (14,522)

LUMPKIN COUNTY, GEORGIA
JUVENILE SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 500	$ 500	$ 900	$ 400
Total revenues	500	500	900	400
Expenditures:				
Current:				
Judicial	1,000	1,000	-	1,000
Total expenditures	1,000	1,000	-	1,000
Net changes in fund balances	(500)	(500)	900	1,400
Fund balances, beginning of year	9,715	9,715	9,715	-
Fund balances, end of year	$ 9,215	$ 9,215	$ 10,615	$ 1,400

LUMPKIN COUNTY, GEORGIA
CONFISCATED ASSETS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 5,000	$ 10,700	$ 9,410	$ (1,290)
Interest income	-	-	35	35
Total revenues	5,000	10,700	9,445	(1,255)
Expenditures:				
Current:				
Public safety	5,000	10,700	10,626	74
Total expenditures	5,000	10,700	10,626	74
Net changes in fund balances	-	-	(1,181)	(1,181)
Fund balances, beginning of year	5,714	5,714	5,714	-
Fund balances, end of year	$ 5,714	$ 5,714	$ 4,533	$ (1,181)

LUMPKIN COUNTY, GEORGIA
SPECIAL PROGRAMS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 30,000	$ 30,000	$ 36,308	$ 6,308
Interest income	-	-	84	84
Intergovernmental	-	-	3,400	3,400
Contributions and donations	-	60,100	61,273	1,173
Total revenues	30,000	90,100	101,065	10,965
Expenditures:				
Current:				
Public safety	30,000	90,100	85,280	4,820
Total expenditures	30,000	90,100	85,280	4,820
Net changes in fund balances	-	-	15,785	15,785
Fund balances, beginning of year	37,596	37,596	37,596	-
Fund balances, end of year	$ 37,596	$ 37,596	$ 53,381	$ 15,785

LUMPKIN COUNTY, GEORGIA
PUBLIC DEFENDER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 225,914	$ 225,914	$ 236,913	$ 10,999
Interest income	105,951	-	347	347
Other revenues	-	25,009	25,009	-
Total revenues	331,865	250,923	262,269	11,346
Expenditures:				
Current:				
Judicial	366,865	391,874	387,160	4,714
Total expenditures	366,865	391,874	387,160	4,714
Deficiency of revenues over expenditures	(35,000)	(140,951)	(124,891)	16,060
Other financing sources:				
Transfers in	-	105,951	105,951	-
Total other financing sources	-	105,951	105,951	-
Net changes in fund balances	(35,000)	(35,000)	(18,940)	16,060
Fund balances, beginning of year	81,616	81,616	81,616	-
Fund balances, end of year	$ 46,616	$ 46,616	$ 62,676	$ 16,060

LUMPKIN COUNTY, GEORGIA
TECHNOLOGY FEE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 15,500	$ 25,156	$ 16,916	$ (8,240)
Total revenues	15,500	25,156	16,916	(8,240)
Expenditures:				
Current:				
Judicial	15,500	25,156	17,825	7,331
Total expenditures	15,500	25,156	17,825	7,331
Net changes in fund balances	-	-	(909)	(909)
Fund balances, beginning of year	30,444	30,444	30,444	-
Fund balances, end of year	$ 30,444	$ 30,444	$ 29,535	$ (909)

LUMPKIN COUNTY, GEORGIA
MULTIPLE GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 326,400	$ 523,137	$ 360,723	$ (162,414)
Other revenues	26,758	26,758	18,970	(7,788)
Total revenues	353,158	549,895	379,693	(170,202)
Expenditures:				
Current:				
General government	53,000	53,000	315	52,685
Judicial	354,946	395,480	258,842	136,638
Public safety	8,470	15,935	15,183	752
Public works	-	148,738	148,738	-
Total expenditures	416,416	613,153	423,078	190,075
Deficiency of revenues over expenditures	(63,258)	(63,258)	(43,385)	19,873
Other financing sources:				
Transfers in	63,258	63,258	-	(63,258)
Total other financing sources	63,258	63,258	-	(63,258)
Net changes in fund balances	-	-	(43,385)	(43,385)
Fund deficits, beginning of year	80,673	80,673	80,673	-
Fund balance, end of year	$ 80,673	$ 80,673	$ 37,288	$ (43,385)

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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Hotel/Motel taxes	$ 130,200	$ 165,882	$ 167,336	$ 1,454
Interest	70	70	176	106
Total revenues	130,270	165,952	167,512	1,560
Expenditures:				
Current:				
Housing and development	126,770	162,452	162,452	-
Total expenditures	126,770	162,452	162,452	-
Excess of revenues over expenditures	3,500	3,500	5,060	1,560
Other financing uses:				
Transfers out	(3,500)	(3,500)	-	3,500
Total other financing uses	(3,500)	(3,500)	-	3,500
Net changes in fund balances	-	-	5,060	5,060
Fund balances, beginning of year	1,878	1,878	1,878	-
Fund balances, end of year	$ 1,878	$ 1,878	$ 6,938	$ 5,060

LUMPKIN COUNTY, GEORGIA
PLANNING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 126,513	$ 126,513	$ 125,833	$ (680)
Licenses and permits	142,600	142,600	194,047	51,447
Charges for services	4,750	4,750	8,453	3,703
Interest income	500	500	378	(122)
Total revenues	274,363	274,363	328,711	54,348
Expenditures:				
Current:				
Housing and development	274,363	274,363	260,111	14,252
Total expenditures	274,363	274,363	260,111	14,252
Net changes in fund balances	-	-	68,600	68,600
Fund deficits, beginning of year	(15,187)	(15,187)	(15,187)	-
Fund deficits, end of year	$ (15,187)	$ (15,187)	$ 53,413	$ 68,600

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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 196,500	$ 196,500	$ 183,676	$ (12,824)
Interest income	5,180	5,180	17,872	12,692
Total revenues	201,680	201,680	201,548	(132)
Expenditures:				
Debt service:				
Principal	665,943	665,943	665,942	1
Interest	164,400	164,400	164,400	-
Total expenditures	830,343	830,343	830,342	1
Net change in fund balances	(628,663)	(628,663)	(628,794)	(131)
Fund balances, beginning of year	3,320,340	3,320,340	3,320,340	-
Fund balances, end of year	$ 2,691,677	$ 2,691,677	$ 2,691,546	$ (131)

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LUMPKIN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2016

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2003 SPLOST					
Debt service - Public Building Authority	$ 15,750,000	$ 20,202,939	$ 18,952,448	$ 625,180	$ 19,577,628
2008 SPLOST					
Judicial Facilities	$ 14,000,000	$ 6,859,839	$ 6,859,839	$ -	$ 6,859,839
Water & Sewer Infrastructure Expansion	4,000,000	358,000	350,880	-	350,880
Library Facilities	4,000,000	322,784	322,784	-	322,784
Roads & Bridges	3,000,000	2,978,493	2,978,493	-	2,978,493
Administrative Facilities	1,000,000	2,281,440	2,281,440	-	2,281,440
Public Safety Vehicles	1,376,000	1,433,437	1,433,437	-	1,433,437
Park & Recreation Facilities	1,000,000	1,115,265	1,115,265	-	1,115,265
Industrial Development Property	1,000,000	110,769	110,769	-	110,769
Fire Protection Facilities	600,000	123,474	123,474	-	123,474
Public Warning System	250,000	139,728	139,728	-	139,728
Public Works Equipment	250,000	188,172	188,172	-	188,172
E911 Equipment	240,000	213,754	213,754	-	213,754
City of Dahlonega Water Treatment Facilities	4,284,000	3,107,228	3,107,228	-	3,107,228
Total 2008 SPLOST	$ 35,000,000	$ 19,232,383	$ 19,225,263	$ -	$ 19,225,263
2014 SPLOST					
Lease Payments	$ 5,100,000	$ 5,100,000	$ 1,574,505	$ 789,423	$ 2,363,928
Administration Facility Improvements	1,200,000	1,200,000	-	93,004	93,004
Public Facility Renovations/Vehicles	300,000	300,000	24,387	69,033	93,420
Animal Shelter Equipment/Facilities, and Vehicles	75,000	75,000	24,351	31,815	56,166
Clerk of Court Archives Upgrade	20,000	20,000	20,000	-	20,000
Economic Development	500,000	500,000	500,000	-	500,000
Board of Elections Upgrades	40,000	40,000	-	-	-
Emergency Services Equipment/Vehicles, Facility Renovations/Additions	1,485,000	1,485,000	99,342	343,902	443,244
Roads and Bridges Equipment, Vehicles, Resurfacing, Improvements	4,270,000	4,270,000	370,878	739,910	1,110,788
Lumpkin Co. Library	1,000,000	1,000,000	-	-	-
Recreation Equipment/Vehicles/Facilities	1,000,000	1,000,000	211,105	290,493	501,598
Senior Center Facilities	50,000	50,000	-	-	-
Sheriff's Department Equipment and Vehicles	360,000	360,000	104,002	64,703	168,705
Water Authority System Improvements	500,000	500,000	-	-	-
City of Dahlonega	3,000,000	3,000,000	883,534	499,981	1,383,515
Total 2014 SPLOST	$ 18,900,000	$ 18,900,000	$ 3,812,104	$ 2,922,264	$ 6,734,368

2003 SPLOST Expenditures disbursed from Debt Service Fund $ 625,180

Non-SPLOST expenditures*

*Lumpkin County uses Intergovernmental Revenues as well as contributions from other parties to expand our SPLOST projects. Contributions to the SPLOST Projects are as follows:

Transfers in from other funds to offset project costs	483,998
Intergovernmental revenues	240,000
Total non-SPLOST expenditures	723,998
Total SPLOST Fund Expenditures	$ 3,646,262

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

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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, 2016

ASSETS	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total
Cash	$ 701,865	$ 25,822	$ 139,347	$ 24,701	$ 716	$ 892,451
Taxes receivable	2,300,199	-	-	-	-	2,300,199
Accounts receivable	-	21,768	-	-	-	21,768
Total assets	$ 3,002,064	$ 47,590	$ 139,347	$ 24,701	$ 716	$ 3,214,418
LIABILITIES						
Due to others	$ 701,865	$ 47,590	$ 139,347	$ 24,701	$ 716	$ 914,219
Uncollected taxes	2,300,199	-	-	-	-	2,300,199
Total liabilities	$ 3,002,064	$ 47,590	$ 139,347	$ 24,701	$ 716	$ 3,214,418

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance January 1, 2016	Increases	Decreases	Balance December 31, 2016
Tax Commissioner				
ASSETS				
Cash	$ 957,691	$ 31,064,394	$ (31,320,220)	$ 701,865
Taxes receivable	2,339,513	13,807,127	(13,846,441)	2,300,199
Total assets	$ 3,297,204	$ 44,871,521	$ (45,166,661)	$ 3,002,064
LIABILITIES				
Due to others	$ 957,691	$ 31,064,394	$ (31,320,220)	$ 701,865
Uncollected taxes	2,339,513	13,807,127	(13,846,441)	2,300,199
Total liabilities	$ 3,297,204	$ 44,871,521	$ (45,166,661)	$ 3,002,064
Sheriff				
ASSETS				
Cash	$ 26,140	$ 239,280	$ (239,598)	$ 25,822
Accounts receivable	21,291	21,768	(21,291)	21,768
Total assets	$ 47,431	$ 261,048	$ (260,889)	$ 47,590
LIABILITIES				
Due to others	$ 47,431	$ 261,048	$ (260,889)	$ 47,590
Total liabilities	$ 47,431	$ 261,048	$ (260,889)	$ 47,590
Clerk of Courts				
ASSETS				
Cash	$ 387,359	$ 1,422,544	$ (1,670,556)	$ 139,347
Total assets	$ 387,359	$ 1,422,544	$ (1,670,556)	$ 139,347
LIABILITIES				
Due to others	$ 387,359	$ 1,422,544	$ (1,670,556)	$ 139,347
Total liabilities	$ 387,359	$ 1,422,544	$ (1,670,556)	$ 139,347

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance January 1, 2016	Increases	Decreases	Balance December 31, 2016
Probate Court				
ASSETS				
Cash	$ 19,578	$ 529,799	$ (524,676)	$ 24,701
Total assets	$ 19,578	$ 529,799	$ (524,676)	$ 24,701
LIABILITIES				
Due to others	$ 19,578	$ 529,799	$ (524,676)	$ 24,701
Total liabilities	$ 19,578	$ 529,799	$ (524,676)	$ 24,701
Magistrate Court				
ASSETS				
Cash	$ 392	$ 15,931	$ (15,607)	$ 716
Total assets	$ 392	$ 15,931	$ (15,607)	$ 716
LIABILITIES				
Due to others	$ 392	$ 15,931	$ (15,607)	$ 716
Total liabilities	$ 392	$ 15,931	$ (15,607)	$ 716
Total Agency Funds				
ASSETS				
Cash	$ 1,391,160	$ 33,271,948	$ (33,770,657)	$ 892,451
Taxes receivable	2,339,513	13,807,127	(13,846,441)	2,300,199
Accounts receivable	21,291	21,768	(21,291)	21,768
Total assets	$ 3,751,964	$ 47,100,843	$ (47,638,389)	$ 3,214,418
LIABILITIES				
Due to others	$ 1,412,451	$ 33,293,716	$ (33,791,948)	$ 914,219
Uncollected taxes	2,339,513	13,807,127	(13,846,441)	2,300,199
Total liabilities	$ 3,751,964	$ 47,100,843	$ (47,638,389)	$ 3,214,418

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - HOSPITAL AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2016

	Hospital Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	$ (65,013)
Net cash used in operating activities	(65,013)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	47,364
Net cash provided by investing activities	47,364
Net decrease in cash and cash equivalents	(17,649)
Cash and cash equivalents:	
Beginning of year	258,732
End of year	$ 241,083
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (65,013)
Net cash used in operating activities	$ (65,013)
NON-CASH INVESTING ACTIVITIES	
Unrealized loss on investments	$ (21,641)

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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 ..... **89 - 95**

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 ..... **96 - 100**

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

Debt Capacity ..... **101 - 104**

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 ..... **105 and 106**

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 ..... **107 - 109**

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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	$ 66,028	$ 64,707	$ 62,155	$ 60,580	$ 59,032	$ 56,295	$ 55,355	$ 52,684	$ 49,322	$ 49,013
Restricted	6,605	6,103	6,115	6,628	7,765	9,352	9,243	11,484	11,484	11,783
Unrestricted	5,670	5,824	7,350	7,889	6,853	7,226	6,744	5,583	5,627	3,489
Total governmental activities net position	$ 78,303	$ 76,633	$ 75,620	$ 75,097	$ 73,650	$ 72,873	$ 71,342	$ 69,751	$ 66,433	$ 64,285
Business-type activities										
Net investment in capital assets	$ 607	$ 625	$ 648	$ 694	$ 694	$ 709	$ 735	$ 762	$ 798	$ 834
Unrestricted	(366)	(400)	(416)	(457)	(457)	(492)	(506)	(407)	(419)	(440)
Total business-type activities net position	$ 241	$ 225	$ 232	$ 237	$ 237	$ 217	$ 229	$ 355	$ 379	$ 394
Primary government										
Net investment in capital assets	$ 66,635	$ 65,332	$ 62,803	$ 61,274	$ 59,726	$ 57,004	$ 56,090	$ 53,446	$ 50,120	$ 49,847
Restricted	6,605	6,103	6,115	6,628	7,765	9,352	9,243	11,484	11,484	11,783
Unrestricted	5,304	5,424	6,934	7,432	6,396	6,734	6,238	5,176	5,208	3,049
Total primary government net position	$ 78,544	$ 76,858	$ 75,852	$ 75,334	$ 73,887	$ 73,090	$ 71,571	$ 70,106	$ 66,812	$ 64,679
Restatements	$ -	$ -	$ (1,039)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total primary government net position, after restatements	$ 78,544	$ 76,858	$ 74,813	$ 75,334	$ 73,887	$ 73,090	$ 71,571	$ 70,106	$ 66,812	$ 64,679

LUMPKIN COUNTY, GEORGIA

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities:										
General government	$ 4,270	$ 4,358	$ 3,900	$ 3,964	$ 3,714	$ 3,144	$ 3,210	$ 2,843	$ 3,437	$ 2,742
Judicial system	2,348	2,262	2,372	2,119	2,375	2,673	2,585	2,403	2,476	2,409
Public safety	9,918	9,474	9,691	9,151	9,235	8,965	9,004	7,958	9,260	7,845
Public works	3,162	2,723	2,980	2,688	2,472	2,614	2,604	2,450	1,182	2,489
Health and welfare	690	723	666	628	589	595	613	654	1,045	556
Culture and recreation	1,405	1,363	1,336	1,235	955	1,014	1,334	1,336	1,450	1,413
Housing and development	511	962	412	432	426	421	424	458	705	629
Interest on long-term debt	477	470	519	473	863	917	998	750	1,064	819
Total governmental activities expenses	22,781	22,336	21,857	20,690	20,629	20,343	20,772	18,852	20,619	18,902
Business-type activities:										
Solid Waste	110	123	100	109	134	94	225	119	133	143
Total business-type activities expenses	110	123	100	109	134	94	225	119	133	143
Total primary government expenses	$ 22,891	$ 22,459	$ 21,956	$ 20,799	$ 20,763	$ 20,437	$ 20,997	$ 18,971	$ 20,752	$ 19,045
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 971	$ 781	$ 764	$ 778	$ 1,072	$ 1,018	$ 1,177	$ 895	$ 1,278	$ 1,242
Judicial system	932	1,026	1,000	1,001	619	675	771	682	726	603
Public safety	1,776	2,234	2,184	2,013	1,974	2,423	1,921	2,030	1,172	1,680
Public works	1	2	1	1	30	51	53	49	1	4
Health and welfare	30	23	27	40	58	42	52	2	20	27
Culture and recreation	245	234	232	231	-	22	216	262	318	283
Housing and development	203	140	126	122	109	77	98	120	240	59
Operating grants and contributions	1,146	1,296	1,147	977	1,287	1,555	1,567	1,276	1,541	885
Capital grants and contributions	1,296	1,830	426	748	583	17	54	202	194	1,800
Total governmental activities program revenues	6,600	7,568	5,907	5,911	5,732	5,880	5,907	5,518	5,490	6,563
Business-type activities:										
Charges for services:										
Solid waste	34	35	32	45	115	15	15	20	61	43
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	13	-	-	-	-	-
Total business-type activities program revenues	34	35	32	45	128	15	15	20	61	43
Total primary government program revenues	$ 6,634	$ 7,603	$ 5,939	$ 5,956	$ 5,860	$ 5,895	$ 5,922	$ 5,538	$ 5,551	$ 6,606
Net (expense)/revenue										
Governmental activities	$ (16,181)	$ (14,768)	$ (15,949)	$ (14,779)	$ (14,897)	$ (14,463)	$ (14,865)	$ (13,334)	$ (15,129)	$ (12,339)
Business-type activities	(76)	(88)	(68)	(64)	(6)	(79)	(210)	(99)	(72)	(100)
Total primary government net expense	$ (16,257)	$ (14,856)	$ (16,017)	$ (14,843)	$ (14,903)	$ (14,542)	$ (15,075)	$ (13,433)	$ (15,201)	$ (12,439)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 10,626	$ 9,334	$ 9,595	$ 9,553	$ 8,818	$ 9,047	$ 9,850	$ 9,841	$ 9,708	$ 7,976
Sales taxes	5,681	5,756	5,468	5,191	5,471	5,358	5,195	5,324	5,777	6,276
Insurance premium taxes	1,381	1,298	1,212	1,148	1,105	1,034	828	852	864	844
Other taxes	203	229	230	222	188	227	219	185	223	204
Unrestricted investment earnings	52	35	45	161	318	394	448	511	732	749
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	14	30	-
Transfers	(92)	(81)	(79)	(48)	(26)	(66)	(84)	(76)	(57)	(54)
Total governmental activities	17,851	16,571	16,471	16,227	15,874	15,994	16,456	16,851	17,277	15,995
Business-type activities:										
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	92	81	79	48	26	66	84	75	57	54
Total business-type activities	92	81	79	48	26	66	84	75	57	54
Total primary government	$ 17,943	$ 16,652	$ 16,550	$ 16,275	$ 15,900	$ 16,060	$ 16,540	$ 16,726	$ 17,334	$ 16,049
Change in Net Position										
Governmental activities	$ 1,670	$ 1,803	$ 522	$ 1,448	$ 977	$ 1,531	$ 1,591	$ 3,317	$ 2,148	$ 3,656
Business-type activities	16	(7)	11	(16)	20	(13)	(126)	(24)	(15)	(46)
Total primary government	$ 1,686	$ 1,796	$ 533	$ 1,432	$ 997	$ 1,518	$ 1,465	$ 3,293	$ 2,133	$ 3,610

LUMPKIN COUNTY, GEORGIA

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

	2016	2015	2014	2013	2012
General fund					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	-
Nonspendable:					
Prepaid items	567	481	678	355	265
Inventory	106	144	129	114	117
Assigned:					
Fire station construction	375	375	375	-	-
Use of reserves for subsequent budget	482	135	621	-	-
Unassigned	4,802	5,294	5,066	7,178	6,464
Total general fund	$ 6,332	$ 6,429	$ 6,869	$ 7,647	$ 6,846
All other governmental funds					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds (1)	-	-	-	-	-
Nonspendable:					
Prepaid items	44	40	80	47	41
Restricted for:					
Debt service	2,691	3,320	3,928	5,441	6,837
Capital projects	3,472	2,273	1,873	825	432
Public safety activities	190	203	133	148	115
Planning department operations	48	-	-	-	-
Law library operations	62	59	56	77	114
Judicial activities	111	176	110	119	180
Tourism	7	2	1	1	8
Assigned:					
Capital projects	-	-	11	-	-
Unassigned	-	(31)	(25)	(116)	(204)
Total all other governmental funds	$ 6,625	$ 6,042	$ 6,167	$ 6,542	$ 7,523

(1) 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.

	2011	(2)	2010	2009	2008	2007
$	-		$ 449	$ 296	$ 329	$ 463
	-		5,439	4,993	3,550	3,796
	255		-	-	-	-
	86		-	-	-	-
	-		-	-	-	-
	-		-	-	-	-
	6,516		-	-	-	-
	$ 6,857		$ 5,888	$ 5,289	$ 3,879	$ 4,259
	$ -		$ 9,297	$ 10,404	$ 11,529	$ 11,830
	-		512	314	351	468
	-		(320)	524	8,420	(1,107)
	35		-	-	-	-
	8,073		-	-	-	-
	549		-	-	-	-
	290		-	-	-	-
	-		-	-	-	-
	134		-	-	-	-
	165		-	-	-	-
	6		-	-	-	-
	-		-	-	-	-
	(128)		-	-	-	-
	$ 9,124		$ 9,489	$ 11,242	$ 20,300	$ 11,191

LUMPKIN COUNTY, GEORGIA

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

	2016	2015	2014	2013	2012
Revenues					
Taxes	$ 17,869	$ 16,845	$ 16,440	$ 16,123	$ 15,655
Licenses and permits	231	177	163	164	131
Fines and forfeitures	640	657	597	528	577
Charges for services	2,840	3,362	3,384	3,292	3,026
Interest income	62	38	50	163	321
Intergovernmental	2,256	2,472	1,480	1,492	1,587
Contributions and donations	108	64	85	35	85
Miscellaneous	447	289	186	189	118
Total revenues	24,453	23,903	22,385	21,986	21,500
Expenditures					
General government	3,478	3,463	3,374	3,181	3,175
Judicial	2,337	2,292	2,374	2,117	2,374
Public safety	9,271	9,145	9,184	8,673	8,844
Public works	1,417	1,326	1,281	1,338	1,128
Health and welfare	651	696	633	595	554
Culture and recreation	1,188	1,153	1,124	1,033	760
Housing and development	500	962	415	418	429
Intergovernmental	500	515	775	640	467
Capital outlay (1)	3,815	3,155	1,651	1,611	2,994
Debt service					
Principal	1,343	1,294	2,135	1,796	1,502
Interest	396	440	515	524	856
Other charges	40	-	-	237	-
Total expenditures	24,936	24,442	23,461	22,163	23,083
Excess (deficiency) of revenues over (under) expenditures	(483)	(539)	(1,076)	(177)	(1,583)
Other financing sources (uses)					
Transfers in	1,822	2,178	2,100	1,173	966
Transfers out	(1,914)	(2,258)	(2,179)	(1,221)	(992)
Issuance of debt	1,035	-	-	9,835	-
Premium/discount on issuance of debt	-	-	-	43	-
Refunding payment to escrow agent	-	-	-	(9,835)	-
Sale of capital assets	26	55	2	-	-
Total other financing sources (uses)	969	(26)	(77)	(5)	(26)
Net change in fund balances	$ 486	$ (565)	$ (1,153)	$ (182)	$ (1,609)
Debt service as a percentage of noncapital expenditures	8.2%	8.1%	12.2%	12.6%	11.8%
Total debt service expenditures	1,779	1,734	2,650	2,557	2,358
Total non-capital expenditures	21,595	21,275	21,724	20,306	19,997

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

2011	2010	2009	2008	2007
$ 15,557	$ 16,292	$ 15,718	$ 15,908	$ 15,773
112	131	147	215	345
608	660	606	616	513
3,489	3,312	3,146	2,753	2,797
397	456	511	732	749
1,635	1,665	1,256	1,461	1,136
69	111	222	229	129
90	183	142	171	224
21,957	22,810	21,748	22,085	21,666
2,958	3,029	2,637	3,232	2,546
2,252	2,585	2,386	2,470	2,400
9,013	8,611	7,498	8,229	7,504
1,194	1,056	1,092	1,331	1,285
565	600	643	641	534
826	1,138	1,144	1,309	1,297
409	420	440	696	608
574	504	517	-	-
1,115	3,481	10,596	2,672	3,578
1,440	1,434	1,306	1,378	1,021
942	1,022	1,100	1,022	860
-	-	-	270	-
21,288	23,880	29,359	23,250	21,633
669	(1,070)	(7,611)	(1,165)	33
898	1,087	829	1,326	2,812
(964)	(1,171)	(904)	(1,383)	(2,867)
-	-	-	10,000	90
-	-	-	(99)	-
-	-	-	-	-
-	-	39	49	-
(66)	(84)	(36)	9,893	35
$ 603	$ (1,154)	$ (7,647)	$ 8,728	$ 68
12.1%	12.0%	13.2%	13.1%	10.4%
2,382	2,456	2,406	2,670	1,881
19,638	20,401	18,253	20,399	18,055

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	Alcoholic Beverage Tax	Other Taxes	Total
2007	$ 8,449	$ 6,276	$ 844	$ 162	$ 43	$ 15,773
2008	9,044	5,777	864	165	58	15,908
2009	9,357	5,324	852	159	26	15,718
2010	10,070	5,175	828	149	70	16,292
2011	8,927	5,370	1,034	152	74	15,557
2012	8,891	5,471	1,105	148	40	15,655
2013	9,562	5,191	1,148	157	65	16,123
2014	9,530	5,468	1,212	163	67	16,440
2015	9,562	5,756	1,298	164	66	16,845
2016	10,604	5,681	1,381	169	34	17,869

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

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LUMPKIN COUNTY, GEORGIA

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

Fiscal Year	Tax Year	Real Property				Personal Property			
		Residential	Commercial	Agricultural	Public Utilities	Motor Vehicles	Mobile Homes	Equipment	Other (1)
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	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 (2)	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	339,056,076	22,366,787	58,347,370	5,710,634	24,653,386	829,628
2016	2015	564,759,204	141,624,453	336,794,733	22,335,968	42,005,610	5,284,439	27,199,054	98,287
2017	2016	569,800,102	149,482,473	338,916,963	22,475,945	33,244,030	5,022,406	27,792,737	683,882

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) 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.

(3) 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
$ 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	1,189,896,297	6.947	2,974,740,743	40.00%
289,980,685	108,375,389 (3)	1,145,233,688	7.318	2,863,084,220	40.00%
215,892,161	113,055,175	1,014,379,215	7.852	2,535,948,038	40.00%
184,407,536	113,687,442	884,540,948	8.962	2,211,352,370	40.00%
186,227,302	123,313,100	864,765,223	9.121	2,161,913,058	40.00%
189,156,111	128,159,260	848,694,985	9.160	2,121,737,463	40.00%
190,928,919	132,110,874	817,061,955	10.662	2,042,654,888	40.00%
193,433,964	138,581,869	815,402,705	12.180	2,038,506,763	40.00%

LUMPKIN COUNTY, GEORGIA

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

Tax Year	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Lumpkin County rates										
Unincorporated	12.180	10.662	9.160	9.121	8.962	7.852	7.318	6.947	6.893	6.912
Incorporated	14.232	12.566	10.877	10.743	10.436	8.881	7.907	7.842	7.707	7.724
Special services (reservoir)	0.310	0.310	0.295	0.294	0.289	0.253	0.220	0.191	0.178	0.187
Special services (planning)	0.597	0.171	0.157	0.187	0.184	0.161	0.098	0.409	-	-
Municipal rates										
Dahlonega	6.781	5.781	4.739	4.739	4.656	4.212	3.988	3.950	3.950	3.959
Board of Education										
Maintenance & Operations	16.819	16.829	16.651	16.540	16.239	14.259	12.800	12.800	11.840	11.860
State of Georgia	0.000	0.050	0.100	0.150	0.200	0.250	0.250	0.250	0.250	0.250
Total Unincorporated	29.906	27.972	26.363	26.292	25.875	22.775	20.686	20.597	19.161	19.209
Total Incorporated	37.832	35.226	32.367	32.163	31.531	27.602	24.945	24.842	23.747	23.793

Source: Georgia Department of Revenue, Property Tax Division

LUMPKIN COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

	2016			2007		
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	$ 12,516,480	1	1.54 %	$		%
Forestar (USA) Real Estate Group INC.	7,672,100	2	0.94			
Georgia Power Company	7,343,239	3	0.90	5,466,273	8	0.45
Dunn Betty L Trustee	5,662,073	4	0.69			
Roberta A Green, As Trustee of the Robi	5,418,327	5	0.66			
Amicalola EMC	4,166,983	6	0.51			
Dahlonega Student Housing Partners LLC	4,053,418	7	0.50			
HD Development of Maryland INC	3776974	8	0.46			
Birch River Chestatee Company LLC	3,337,036	9	0.41			
Dahlonega Group LLC	3,273,238	10	0.40			
Inland Container Corp				13,507,065	1	1.115314
Torrington Company				10,332,038	2	0.853143
Owens Valley Farm LP				9,895,648	3	0.81711
Southern Cross Ranch LLC				8,850,636	4	0.73082
Dunn Lowell S & Betty L				7,729,594	5	0.638253
Windstream Standard INC.				6414883	6	0.529694
Edna A Noblin Estate				6,199,048	7	0.511872
Clinton Turner				4,712,088	9	0.389089
R Ranch In The Mountains				4,661,581	10	0.384919
	$ 57,219,868		7.02 %	$ 77,768,854		6.42 %

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
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	864	7,339	97.94
2015	2014	7,487	6,739	90.01	333	7,072	94.46
2016	2015	8,550	7,573	88.57	871	8,444	98.76
2017	2016	9,834	8,769	89.17	-	8,769	89.17

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			
2007	$ -	$ -	$ -	$ 17,357	$ 17,357	2.55 %	$ 654
2008	-	9,630	-	16,254	25,884	3.56	957
2009	-	9,503	-	15,083	24,586	3.22	893
2010	-	9,375	-	13,784	23,159	2.98	773
2011	-	9,242	-	12,484	21,726	2.71	723
2012	-	9,104	-	11,127	20,231	2.44	661
2013	-	-	9,520	9,686	19,206	2.26	621
2014	-	-	8,915	8,151	17,066	1.90	547
2015	-	-	8,301	7,467	15,768	1.90	502
2016	-	-	7,671	7,785	15,456	1.58	492

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)
2007	$ 9,920	$ 9,920	$ -	- %	$ -
2008	8,965	8,965	-	-	-
2009	7,945	7,945	-	-	-
2010	6,855	6,855	-	-	-
2011	5,695	5,695	-	-	-
2012	4,460	4,460	-	-	-
2013	3,145	3,145	-	-	-
2014	1,740	1,740	-	-	-
2015	1,190	1,190	-	-	-
2016	610	610	-	-	-

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.

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LUMPKIN COUNTY, GEORGIA

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

	2016	2015	2014	2013
Debt limit	**$ 100,884**	$ 100,807	$ 103,785	$ 105,099
Total net debt applicable to limit	**-**	-	-	-
Legal debt margin	**$ 100,884**	$ 100,807	$ 103,785	$ 105,099
Total net debt applicable to the limit as a percentage of debt limit	**0%**	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	$ 815,403
Add back: exempt real property	193,434
Total assessed value	1,008,837
Debt limit (10% of total assessed value)	100,884
Debt applicable to limit:	
General obligation debt	610
Less: Amount set aside for repayment of general obligation debt	(610)
Total net debt applicable to limit	-
Legal debt margin	$ 100,884

2012	2011	2010	2009	2008	2007
$ 106,895	$ 123,027	$ 143,522	$ 146,563	$ 153,591	$ 146,190
-	-	-	-	-	-
$ 106,895	$ 123,027	$ 143,522	$ 146,563	$ 153,591	$ 146,190
0%	0%	0%	0%	0%	0%

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)
2007	26,554	$ 679,543	$ 25,591	N/A	3,344	4.2 %
2008	27,056	727,084	26,873	32.5	3,732	11.1
2009	27,528	763,163	27,723	35.0	3,776	11.3
2010	29,966	776,536	25,914	34.8	3,836	10.8
2011	30,031	801,577	26,692	35.0	3,879	8.8
2012	30,611	828,043	27,051	36.0	4,248	9.1
2013	30,918	850,317	27,502	36.0	3,706	7.3
2014	31,176	898,545	28,822	36.1	3,652	6.6
2015	31,408	947,647	30,172	36.6	3,714	5.1
2016	31,445	980,941	31,195	N/A	3,808	4.4

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 2007

	2012			2007		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
University of North Georgia	699	1	5.90 %	697	2	11.04 %
Lumpkin Co. Board of Education	612	2	5.17	615	3	9.74
Lumpkin Co. Board of Commissioners	283	3	2.39	286	5	4.53
Wal-Mart	265	4	2.24	265	6	4.20
KOYO (formerly Timken US Corporation)	243	5	2.05	251	7	3.97
Chestatee Regional Hospital	220	6	1.86	223	8	3.53
Southern Switches	135	7	1.14	968	1	15.33
RefrigiWear, Inc.	112	8	0.95	110	9	1.74
The Home Depot	100	9	0.84	92	10	1.46
The Louver Shop	100	10	0.84			
Mohawk Industries				350	4	5.54
	2,769		23.38 %	3,857		61.08 %

Sources: State Department of Commerce.

Note: Information prior to 2007 and subsequent to 2012 is not available

LUMPKIN COUNTY, GEORGIA

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

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government	39	38	38	34	36	31	32	50	45	57
Public safety										
Sheriff										
Officers	59	59	59	69	62	80	84	72	72	68
Civilians	10	10	10	10	10	20	8	8	8	8
Emergency	10	10	10	9	2	2	2	2	2	-
Fire										
Firefighters and officers	36	36	36	31	36	30	34	31	26	22
Civilians	1	1	1	1	1	11	1	13	11	14
Judicial	19	19	19	19	21	15	24	26	20	20
Public works	19	18	18	18	19	23	17	15	22	22
Culture and recreation	16	16	16	12	4	5	9	6	11	17
Housing and development	-	-	-	-	-	-	1	1	1	1
Total	209	207	207	203	191	217	212	224	218	229

Source: County Budget Office

LUMPKIN COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Function										
Sheriff										
Traffic violations	1,526	958	1,257 (2)	2,842	2,534	2,857	3,458	4,072 (1)	N/A	2,992
Fire										
Number of calls answered	4,387	4,308	4,409	4,292	4,055	3,800	3,269	3,244	3,426	3,344
Inspections conducted	192	204	168	192	30*	12*	N/A	377	637	1,004
Highways and streets										
Street resurfacing (miles)	13	14	12	13	15	10	13	6	6	11
Sanitation										
Refuse collected (tons/day)	44	47	40	35	47	42	43	46	45	33
Recyclables collected (tons/day)	1	1	1	1	1.5	1	1	N/A	2	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 newly elected Sheriff and his staff have made motor vehicle safety a top priority which has resulted in more citations written.

(2) - 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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government										
Buildings	**16**	16	16	16	16	13	13	13	13	13
Vehicles	**5**	5	6	6	5	5	5	5	5	5
Small equipment	**29**	29	27	26	26	25	25	25	25	24
Public safety										
Buildings	**8**	8	7	7	7	7	7	7	7	6
Vehicles										
Fire/pumper trucks	**14**	13	14	14	14	13	13	13	13	13
Other Fire Dept. vehicles	**13**	12	10	9	6	6	6	6	6	5
Ambulance/rescue	**7**	7	6	6	6	5	4	6	5	5
Sheriffs vehicles	**67**	60	63	61	48	53	51	46	46	39
Other public safety vehicles	**3**	3	4	4	4	3	3	3	3	3
Equipment	**114**	89	83	82	81	79	78	78	69	49
Judicial										
Small equipment	**6**	6	6	6	6	6	6	6	6	6
Public works										
Buildings	**3**	3	3	3	3	3	3	3	3	3
Vehicles										
Road Department	**11**	11	11	11	11	11	10	11	11	15
Building Inspector	**7**	7	6	6	6	6	6	6	6	6
Other	**3**	3	3	3	3	3	3	3	3	3
Small equipment	**11**	11	6	5	5	5	5	5	5	1
Heavy equipment	**38**	39	37	34	34	35	34	33	35	35
Health and welfare										
Buildings	**3**	3	3	3	3	3	3	2	2	2
Culture and recreation										
Buildings	**5**	5	5	5	5	5	5	5	5	5
Vehicles	**5**	3	5	4	3	4	4	4	5	5
Equipment	**19**	17	14	13	13	13	13	13	11	10

Source: Various County departments

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 the 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, 2016, 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 13, 2017. 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002 that we consider to be material weaknesses.

Compliance and Other Matters

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

County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 13, 2017

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
of Lumpkin County, Georgia
Dahlonega, Georgia

Report on Compliance for Each Major Federal Program

We have audited Lumpkin County, Georgia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of Lumpkin County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 13, 2017

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Title I Public Roads	10.665	P.L. 114-10	$ 38,848
Title III Firewise Community Programs	10.665	P.L. 114-10	13,711
Total U.S. Department of Agriculture			52,559
U.S. DEPARTMENT OF THE INTERIOR			
Payments in Lieu of Taxes	15.226	P.L. 114-113	91,650
Total U.S. Department of the Interior			91,650
U.S. DEPARTMENT OF JUSTICE			
Passed through Criminal Justice Coordinating Council:			
Accountability Courts Program - Family Drug Court	16.585	J16-8-076	70,782
Juvenile Justice Incentive Grant - Family Treatment Court	16.585	J16-8-025	46,298
			117,080
Victims of Crime Act - Victims' Assistance Program	16.575	C13-8-103 / C14-8-108 / C15-8-153	65,268
Victims of Crime Act - Victims' Assistance Program	16.575	C14-8-109 / C16-8-001	23,263
			88,531
Passed through Bureau of Justice Assistance:			
Bulletproof Vest Partnership	16.607	V11109093	7,718
Total U.S. Department of Justice			213,329
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Georgia Department of Community Affairs			
Community Development Block Grant	14.228	14p-y-093-1-5682	481,604
Total U.S. Department of Housing and Urban Development			481,604
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Georgia Department of Transportation			
Section 5311 Rural Public Transportation	20.509	T005838	34,997
Section 5311 Rural Public Transportation	20.509	T005838	35,464
			70,461
Transportation Enhancement Program	20.205	CSTEE-0009-00(105)	102,200
Total U.S. Department of Transportation			172,661
U.S. APPALACHIAN REGIONAL COMMISSION			
Passed through Georgia Environmental Finance Authority			
Appalachian Area Development Program	23.002	ARCGA17897	77,558
Total U.S. Appalachian Regional Commission			77,558
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY			
Passed through Georgia Environmental Finance Authority			
Drinking Water State Revolving Loan Fund	66.468	DW14010	219,963
Total U.S. Department of Environmental Protection Agency			219,963
Total Expenditures of Federal Awards			$ 1,309,324

See accompanying note to schedule of expenditures of federal awards.

LUMPKIN COUNTY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2016

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lumpkin County, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The County did not utilize the 10% de minimis indirect cost rate.

OUTSTANDING LOAN BALANCES

The Lumpkin County Water and Sewerage Authority has outstanding balances from federal funding sources as follows:

66.468 – Drinking Water State Revolving Fund - $212,785

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	X yes ____ no
Significant deficiencies identified?	____ yes X none reported
Noncompliance material to financial statements noted?	____ yes X no

Federal Awards

Internal Control over major federal programs: Material weaknesses identified?	____ yes X no
Significant deficiencies identified?	____ yes X none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ yes X no

Identification of major federal program:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grant
66.468	Drinking Water State Revolving Loan Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ yes X no

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2016-001 Bank Account Reconciliations and Usage of General Ledger System (Lumpkin County Water & Sewerage Authority)

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

Condition: Due to issues in utilizing the Authority's general ledger accounting system, the Authority was not properly performing complete reconciliations of its bank accounts throughout the year ended December 31, 2016.

Context/Cause: During the course of our testing, we noted the following when examining the Authority's bank account reconciliations for the month of December 2016 as well as the general ledger detail for the accounts that were adjusted, as discussed below:

- The initial reconciliation for the Authority's revenue account (main operating account) submitted for the audit did not reconcile by approximately $112,000. A previous version of the December 2016 reconciliation was provided that showed the account out of balance by approximately $1,800 before post-closing entries were made. During our audit procedures, it was noted that certain cash receipts that were deposited into the account during December were not posted to the Authority's general ledger and thus audit adjustments were required to correct the reporting of the Authority's cash balances.

- The initial reconciliation for the Authority's security deposit account did not reconcile by approximately $14,000. Subsequently, audit adjustments in the amount of approximately $20,000 were required to correct the bank account and related accounts on the statement of net position that needed to be adjusted.

- Furthermore, after the adjustment to the security deposit account was posted, we noted that the balance of the cash in the security deposit account was approximately $11,000 less than the amount reported by the Authority as customer deposits payable.

Effects: Total audit adjustments of approximately $134,000 were made to correct the reporting of the Authority's cash balances. In addition, the amount of cash set aside by the Authority for customer deposits will remain less than the reported liability until a physical transfer of cash can be made between the revenue account and the security deposit account to rectify the deficiency.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2016-001 Bank Account Reconciliations and Usage of General Ledger System (Continued)
(Lumpkin County Water & Sewerage Authority)

Recommendation: Due to the small size of Authority's staff, monthly bank reconciliations are a significant element of internal control for the Authority. As such, we recommend that management perform complete reconciliations of all of the Authority's bank accounts on a monthly basis that includes the identification of any differences and resolution of these differences in a timely manner in order to protect the Authority from financial loss and in accordance with a sound internal control environment. Furthermore, it appears that many of the issues relating to the Authority's bank account reconciliation stem from a misunderstanding how the general ledger accounting software is working. We recommend management of the Authority obtain training regarding its general ledger system to ensure it is being used properly and to prevent these types of errors from occurring in the future.

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

Upon completion of the 2016 audit, management has determined further training is needed by Accounting Manager from Black Mountain Software. Efforts are being made to establish an extensive training program consisting of studying user guides, online tutorials, online training classes and, if necessary, on site training. Internal controls are being established where the monthly bank reconciliation reports prepared by the Accounting Manager will also be reviewed by the Authority's Executive Director. Any discrepancies between the general ledger balance and the adjusted bank balance will be investigated and resolved as part of month end reconciliation process.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2016-002 Accounts Payable and Related Balances
(Lumpkin County Water & Sewerage Authority)

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

Condition: Internal controls were not sufficient to detect material misstatements in the reporting of accounts payable and related activity for the year ended December 31, 2016.

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

- An adjustment of approximately $21,000 was required to record retainage payable that had been withheld from contractor invoices through December 31, 2016. While not considered due and payable until the project is completed, retainage is considered to be incurred as the work is completed and should be shown as a liability as it accrues.
- An adjustment of approximately $54,000 was required to properly report engineering invoices as accounts payable as of year-end. The invoices paid by the Authority all pertained to work that had been completed prior to December 31, 2016 and thus should have been accrued as a liability when incurred rather than when paid.

Effects: Audit adjustments totaling approximately $75,000 were required to correct the reporting of the Authority's accounts payable and related balances in accordance with GAAP.

Recommendation: We recommend the Authority carefully review its accounts payable and related balances. At year-end, this should include reviewing all projects in progress to ensure work completed through December 31, 2016 and any related retainage payable has been properly accrued. Furthermore, the Authority should review all disbursements made shortly after year-end along with the underlying invoices and other supporting documentation to ensure that any expenses incurred before year-end are reported in the proper accounting period in accordance with GAAP.

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

Upon completion of the 2016 audit, management added updates to internal notes relating to posting transactions for properly reporting accounts payable for capital projects. Notes were made for properly posting retainage payable and project invoices payable that remain outstanding at end of year.

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

LUMPKIN COUNTY, GEORGIA

STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

Condition: Internal controls were not sufficient to detect certain misstatements in the reporting of the County's revenues and related balance sheet accounts. During the course of testing, adjustments were required to properly report the County's revenues and related balance sheet accounts. The nature of these adjustments is as follows:

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

Status: Corrected.

LUMPKIN COUNTY, GEORGIA

STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

2015–002 Liabilities and related expenditures
(Primary Government)

Condition: Internal controls were not sufficient to detect certain misstatements in the reporting of the County's expenditures and related balance sheet accounts. During the course of testing, adjustments were required to properly report the County's expenditures and related balance sheet accounts. The nature of these adjustments is as follows:

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

Status: Corrected.

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

Condition: Internal controls were not sufficient to ensure that monthly reconciliations of the Authority's bank accounts were being performed and the Authority was not properly performing complete reconciliations of its bank accounts throughout the year ended December 31, 2015.

Status: See Finding 2016-001.

LUMPKIN COUNTY, GEORGIA

STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

Condition: Internal controls were not sufficient to detect certain misstatements in the reporting of the Authority's capital assets and related activity accounts. During the course of testing, adjustments were required to properly report the Authority's capital asset balances in accordance with GAAP. The nature of these adjustments is as follows:

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

Status: Corrected.

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

Condition: Internal controls were not sufficient to detect certain misstatements in the reporting of the Authority's accounts payable. During the course of testing, adjustments were required to properly report the Authority's accounts payable and related balances in accordance with GAAP. The nature of these adjustments is as follows:

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

Status: See Finding 2016-002.

LUMPKIN COUNTY, GEORGIA

STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

Condition: Segregation of employees' duties is a common practice in an effective internal control structure. The limited number of employees involved in the operations of the Authority and the resulting overlap of duties causes proper segregation of duties to be difficult in certain circumstances. There was no proper segregation of duties amongst those who initiate journal entries, approve journal entries, and post journal entries to the general ledger.

Status: Corrected.

LUMPKIN COUNTY, GEORGIA

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2016

2016-001 Bank Account Reconciliations and Usage of General Ledger System (Lumpkin County Water & Sewerage Authority)

***Name of the Contact Person Responsible for the Corrective Action Plan*:** Sean Phipps, Water and Sewerage Authority Director

Corrective Action Plan: The deficiency noted occurred throughout the year ended December 31, 2016 as part of the month end reconciliation process. Once identified and communicated during the Audit process, the Accounting Manager and Executive Director coordinated to develop a plan to obtain appropriate training as needed to perform the monthly bank reconciliation process properly. Additionally, the Executive Director will now review the monthly bank reconciliation reports prepared by the Accounting Manager as part of the month end process.

Anticipated Completion Date: May 31, 2017

2016-002 Accounts Payable and Related Balances (Lumpkin County Water & Sewerage Authority)

***Name of the Contact Person Responsible for the Corrective Action Plan*:** Sean Phipps, Water and Sewerage Authority Director

Corrective Action Plan: The deficiency noted was identified during the audit process as having occurred during year-end close out for year ended December 31, 2016. Once identified and communicated, the Accounting Manager took immediate action to place internal controls to ensure the proper reporting of the Authority's accounts payable and related balances.

Anticipated Completion Date: April 7, 2017

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