

LUMPKIN COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2008

Prepared By:
The Lumpkin County Office of Financial Administration

INTRODUCTORY SECTION

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2008

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May 22, 2009

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, 2008.

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, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Lumpkin County, Georgia's financial statements for the

fiscal year ended December 31, 2008, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

General Information on Lumpkin County

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

Resting in the foothills of the Appalachian Mountains, Lumpkin County is 285 square miles in area, approximately one-third of which is located within the Chattahoochee National Forest. The population of the County has grown by more than 73% over the past ten years with the current estimated population to be over 26,000.

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

Government Structure

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

The form of government was changed to a five person Board of Commissioners, effective January 1, 2005. The Board is comprised of four members that live in a specific district but are elected by voters county wide. Terms

for the Board of Commissioners are staggered, so as to provide some continuity on the board. The Chairman is elected by voters countywide to serve a four year term. Each year, the members of the Board elect one of their own to serve as vice-chairman for the coming year. A County Manager, appointed by the Board of Commissioners, serves as the administrative head of Lumpkin County Government. The County Manager provides direction to department heads and managers to implement policies set forth by the Board of Commissioners.

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

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

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

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

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

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

Economic Condition and Outlook

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

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

Major Initiatives & Accomplishments

During 2008, Lumpkin County received a Timken Foundation of Canton grant totaling \$100,000 (plus \$50,000 in matching funds if the County can raise \$50,000) for a new ambulance for the Fire Department. Lumpkin County was awarded 2 CJCC grants for Victims Assistance and Services and 1 CJCC grant for a Domestic Violence Officer; and a grant from ACCG for a wellness program for employees.

Other accomplishments during the year include:

- ❑ Resurfacing approximately 6.39 lane miles of County roads, using a combination of State and local money.
- ❑ Commencement of construction on the Judicial Center.
- ❑ Adoption of a Strategic Plan for the County.
- ❑ Planting of 350 trees at Yahooola Creek Park with the help of grant funds from Apache Corporation.
- ❑ Completion of Phase 1 of the River Access project.
- ❑ Approval of Phase II of a recreational trails grant and subsequent approval of a construction contract scheduled to be completed in 2009.
- ❑ Adoption of a Vehicle use Policy.
- ❑ Recipient of an Association of County Commissioners of Georgia county Excellence Award in Finance.

Cash Management

The Finance Department strives to keep abreast of current trends in cash and investment management to achieve the highest rate of return on idle cash during the year. Cash received during the year was invested in demand deposit accounts bearing an average interest rate of .59%. In the Debt Service Fund \$8,600,000 in certificates of deposit yields an average of a 5.04% rate of return. All collateral deposits were held by a financial institution in the county's name.

Risk Management

The County is exposed to a variety of accidental losses and has established risk management strategies that attempt to minimize losses. Policies have been established to ensure that County employees and department supervisors are responsible for monitoring risk control over County property and actions by employees during the course of performing their respective duties. The primary technique used for risk financing is the County's participation in the Association of County Commissioners of Georgia Interlocal Risk Management Agency (IRMA).

IRMA is a group self-insurance fund covering general liability, automobile damage and theft, fire damage, and employee dishonesty for Georgia County governments. IRMA pays losses up to \$100,000 per individual claim or \$1,000,000 for all claims. However, excess losses, if any, are covered by reinsurance and would be paid by the reinsurer. Current insurance coverage does not expose the County to significant losses that would have a material impact on the financial position of Lumpkin County.

Pension Benefits

The County sponsors the Association of County Commissioners of Georgia (ACCG) Restated Pension Plan, which is a defined benefit plan. Other pension benefits include a Deferred Compensation Plan and a Defined Contribution Plan.

Additional information on the County's pension plan can be found in the Notes to Financial Statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lumpkin County for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2007. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

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

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

Respectfully submitted,

Stanley J. Kelley
County Manager

C. Allison Martin
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lumpkin County
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R.", written in a cursive style.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emery", written in a cursive style.

Executive Director

OFFICIALS OF LUMPKIN COUNTY, GEORGIA

COMMISSIONER'S OFFICE

Stephen W. Gooch
Dr. John Raber
Deborah Hutcheson
Clarence Stowers
Clarence Grindle

Chairman
District 1
District 2
District 3
District 4

Stanley J. Kelley
Ruth Bohac

County Manager
County Clerk

DEPARTMENT DIRECTORS

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

JUDICIAL & OTHER ELECTED OFFICIALS

Edward Tucker	Clerk of Court
Michael Chastain	Probate Judge
Jeff Lowe	Magistrate Judge
Stan Gunter	District Attorney
David Barrett	Chief Superior Court Judge
Lynn Akeley-Alderman	Superior Court Judge
Murphy Miller	Superior Court Judge
C. David Turk	Juvenile Court Judge
Jean Grizzle	Tax Commissioner
Mark McClure	Sheriff
Larry Banister	Coroner
John Gaston	County Surveyor

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
of Lumpkin County, Georgia
Dahlonega, Georgia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Lumpkin County, Georgia** (the "County"), as of and for the year ended December 31, 2008, which collectively comprise Lumpkin County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lumpkin County Department of Public Health, which represent 1 percent, 1 percent, and 38 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Lumpkin County Department of Public Health, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2009, on our consideration of Lumpkin County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 3 through 12) and the budgetary comparison information and schedule of funding progress (on pages 53 through 55) are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lumpkin County, Georgia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and is also not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 21, 2009

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, 2008. 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, 2008.

Financial Highlights

- ❑ The assets of Lumpkin County's governmental activities exceeded its liabilities at December 31, 2008 by \$66 million (*net assets*). Of this amount, \$5.7 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ❑ As of December 31, 2008, the governmental funds of Lumpkin County reported combined ending fund balances of \$24.1 million, an increase of \$8.7 million in comparison with the prior year. Approximately 51% of this amount, \$12.3 million, is *available for spending* at the government's discretion (*unreserved fund balance*). The increase is primarily a result of a certificate of participation lease to fund construction of a new Judicial Center.
- ❑ At the end of 2008, unreserved fund balance for the general fund was \$3.5 million, or 23% 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 2008, the Debt Service Fund had accumulated \$11.5 million toward the goal of retiring the 2001 issue.
- ❑ During 2008, Lumpkin County made principal and interest payments totaling \$1.53 million on the Public Building Authority Issue, Series 2001. These payments reduced the outstanding principal to \$8.96 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	<input type="checkbox"/> Statement of Net Assets <input type="checkbox"/> Statement of Activities	<input type="checkbox"/> Balance Sheet <input type="checkbox"/> Statement of Revenues, Expenditures and Changes in Fund Balance	<input type="checkbox"/> Statement of Net Assets <input type="checkbox"/> Statement of Revenues, Expenses and Changes in Net Assets <input type="checkbox"/> Statement of Cash Flows	<input type="checkbox"/> Statement of Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the County’s funds do not currently contain capital assets, although they can
Type of inflow / outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All receipts and disbursements during year, regardless of when cash is received or paid

Government-wide Statements

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

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

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

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

Fund Financial Statements

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

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

The County has three kinds of funds:

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

Financial Analysis of the County as a Whole

Net assets. As discussed earlier, net assets may serve as a useful indicator of a government's financial position. As of December 31, 2008, the County's net assets were \$66 million, which is an increase of over \$2.1 million from the prior year. Table B on the following page provides a summary of the County's Governmental and Business-type net assets for 2008 and 2007.

TABLE B

LUMPKIN COUNTY, GEORGIA'S NET ASSETS
December 31, 2008 and 2007
(\$ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2008	2007	2008	2007	2008	2007
CURRENT AND OTHER ASSETS	\$34,894	\$25,007	\$7	\$7	\$34,900	\$25,014
CAPITAL ASSETS (net of depreciation)	67,482	66,370	798	835	68,280	67,205
TOTAL ASSETS	102,376	91,377	805	842	103,181	92,219
LONG-TERM LIABILITIES	26,146	17,555	425	442	26,571	17,997
OTHER LIABILITIES	9,797	9,537	0	6	9,797	9,543
TOTAL LIABILITIES	35,943	27,092	425	448	36,368	27,540
NET ASSETS:						
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	49,322	49,013	798	834	50,120	49,847
RESTRICTED FOR DEBT SERVICE	11,484	11,783	0	0	11,484	11,783
UNRESTRICTED	5,627	3,489	(418)	(440)	5,209	3,049
TOTAL NET ASSETS	\$66,433	\$64,285	\$380	\$394	\$66,813	\$64,679

A significant portion (74.9%) of these net assets represents the *investment in capital assets, net of related debt*. This includes land, buildings, machinery and equipment, and infrastructure assets, offset with associated long-term debt liabilities. Capital assets are restricted for the purpose of providing services to the citizens of Lumpkin County; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Other restricted net assets represent resources that are subject to external restrictions on how they may be used. Included in this category are unspent SPLOST proceeds for Debt Service Reserves (17.2% of the total).

The remaining 7.9% of net assets represent the unrestricted portion available for the County's ongoing obligations to its citizens.

Changes in Revenues and Expenses. Table C on the following page presents the County's 2008 and 2007 revenues and expenses for Governmental and Business-type activities as they are reported in the Entity Wide Statements.

TABLE C

LUMPKIN COUNTY, GEORGIA'S CHANGES IN NET ASSETS
Year Ended December 31, 2008 and 2007
(\$ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2008	2007	2008	2007	2008	2007
REVENUES:						
PROGRAM REVENUES:						
CHARGES FOR SERVICES	\$3,756	\$3,879	\$61	\$43	\$3,817	\$3,922
OPERATING GRANTS & CONTRIBUTIONS	1,541	885	0	0	1,541	885
CAPITAL GRANTS & CONTRIBUTIONS	194	1,799	0	0	194	1,799
GENERAL REVENUES:						
PROPERTY TAXES	9,707	7,976			9,707	7,976
SALES TAXES	5,777	6,276			5,777	6,276
OTHER TAXES	1,087	1,048			1,087	1,048
UNRESTRICTED INVESTMENT EARNINGS	732	749			732	749
GAIN ON SALE OF CAPITAL ASSETS	30	0	0	0	30	0
TOTAL REVENUES	22,824	22,612	61	43	22,885	22,655
EXPENSES:						
GENERAL GOVERNMENT	3,437	2,742			3,437	2,742
PUBLIC SAFETY	9,260	7,845			9,260	7,845
JUDICIAL SYSTEM	2,476	2,409			2,476	2,409
PUBLIC WORKS	1,181	2,489			1,181	2,489
HEALTH & WELFARE	1,045	556			1,045	556
CULTURE & RECREATION	1,450	1,413			1,450	1,413
HOUSING & DEVELOPMENT	705	629			705	629
INTEREST	1,065	819			1,065	819
SOLID WASTE	0	0	133	143	133	143
TOTAL EXPENSES	20,619	18,902	133	143	20,752	19,045
INCREASE IN NET ASSETS BEFORE TRANSFERS	2,205	3,710	(72)	(100)	2,133	3,610
TRANSFERS	(57)	(54)	57	54	0	0
INCREASE (DECREASE) IN NET ASSETS	2,148	3,656	(15)	(46)	2,133	3,610
NET ASSETS, BEGINNING OF YEAR	64,285	60,629	394	440	64,679	61,069
NET ASSETS, END OF YEAR	\$66,433	\$64,285	\$379	\$394	\$66,812	\$64,679

Governmental Activities: Governmental activities accounted for \$2.1 million of the excess in the County's net revenues over expenses for 2008 primarily due to the increase in the collection of property taxes.

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

Financial Analysis of the County's Funds

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

At the end of 2008, Lumpkin County Governmental Funds reported a combined fund balance of \$24.18 million. This amount was up \$8.7 million from 2007. Of the total combined fund balance, approximately 51% consists of *unreserved fund balance*, the portion of fund balance, which serves as a measure of current available financial resources.

The *reserved fund balance* represented resources not available for spending or those on which legal restrictions have been placed. The County's reserved fund balance makes up 49% of the combined total.

The General Fund, Debt Service Fund, SPLOST Fund and Capital Projects 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 \$3.9 million. This was \$380,000 thousand less than the previous year, due to the impact the down turn in the economy had on revenues. Of the \$3.9 million, 91.5% is unreserved while the remaining 8.5% is reserved.

Debt Service. The Debt Service Fund accounts for the 2002 Special Purpose Local Option Sales Tax (SPLOST) money, including earned interest, which is reserved for retiring the Lumpkin County Public Building Authority Issue, Series 2001. This issue had an original principal balance of \$15.75 million and at December 31, 2008 had an outstanding principal balance of \$8.96 million. The fund balance of the Debt Service Fund is \$11.5 million.

SPLOST. This fund accounts for the 2008 SPLOST money, including earned interest, which is to be used for various capital projects as provided in Title 48, Chapter 8 of the Official Code of Georgia Annotated. At December 31, 2008 the fund balance of this fund was \$8.4 million which is primarily made up of money from the Certificate of Participation lease for construction of the Judicial Center.

Capital Projects. This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. At December 31, 2008 the fund balance of this fund was zero as the majority of construction projects are now under the SPLOST program.

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

Enterprise Fund. The Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises - where the costs (expenses, including depreciation) of providing goods or services to the general public are being financed or recovered primarily through user charges on a continuing basis. The Solid Waste Fund is the County's single enterprise fund. Total net assets of the enterprise fund at the end of 2008 were \$379 thousand, representing a decrease of \$15 thousand due largely to the operation of the recycling center.

General Fund Budgetary Highlights

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

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

Even with these adjustments, actual expenditures were \$1 million below final budget amounts.

Capital Assets and Debt Administration

Capital Assets

At the end of 2008, the County had acquired \$68.3 million (net of accumulated depreciation) in a broad range of capital assets for its governmental and business-type activities including land, buildings, park facilities, roads, bridges, heavy machinery, vehicles and equipment, and infrastructure.

- All infrastructure assets acquired to date are included in capital assets in accordance with GASB 34 requirements.
- The total increase in capital assets, net of accumulated depreciation, for the current fiscal year was \$1.1 million. The percentage increase in capital assets was 1.61%.
- 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 \$153 million in 2008. The County currently has \$8.96 million subject to the limitation.

During 2008, the County issued certificates of participation in the principal amount of \$10,000,000 for the purpose of acquiring, constructing, and equipping a new judicial center.

At December 31, 2008, Lumpkin County had the following outstanding long-term debt:

- \$25.88 million in notes payable.
- \$261 thousand in compensated absences.
- 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 declined during 2008, with minimal growth in the business sector. New housing starts were down in the County during 2008, with no real impact to the tax base and increasing demands for services. In an effort to stimulate growth of light industry and shift more of the tax burden from homeowners, a project to extend water and sewerage service was begun during 2003 and was completed during 2006 in the southern part of the County. This project has been completed and the County is beginning to see some retail growth in that area of the County.

Due to the decline economy, the 2009 budget plans for no increase of revenues and has anticipated a loss in revenues from sales tax and property tax. The economy has necessitated a tight spending budget for 2009, with planned furloughs for employees and a workforce reduction of 3 full time positions. 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, 194 Courthouse Hill, Annex A, Dahlonega, GA 30533.

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET ASSETS DECEMBER 31, 2008

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 21,508,319	\$ -	\$ 21,508,319
Investments	8,600,000	-	8,600,000
Receivables (net of allowance for uncollectibles)	4,007,192	6,509	4,013,701
Prepaid items	324,097	130	324,227
Inventories	48,763	-	48,763
Due from component units	57,088	-	57,088
Deferred charges, unamortized balance	257,627	-	257,627
Other assets	91,295	-	91,295
Restricted assets:			
Restricted cash and cash equivalents	-	-	-
Capital assets, nondepreciable	37,064,633	192,103	37,256,736
Capital assets, depreciable, net of accumulated depreciation	30,417,643	606,053	31,023,696
Total assets	102,376,657	804,795	103,181,452
LIABILITIES			
Accounts payable	987,576	-	987,576
Accrued liabilities	567,181	-	567,181
Customer deposits	-	-	-
Due to primary government	-	-	-
Unearned revenue	8,241,994	-	8,241,994
Noncurrent liabilities due within one year			
Compensated absences	261,264	562	261,826
Landfill closure and postclosure	-	17,000	17,000
Certificates of participation	135,000	-	135,000
Notes payable	1,171,113	-	1,171,113
Revenue bonds payable	-	-	-
Noncurrent liabilities due in more than one year			
Deposits, noncurrent	-	-	-
Compensated absences payable	-	-	-
Landfill closure and postclosure	-	408,000	408,000
Certificates of participation	9,495,437	-	9,495,437
Notes payable	15,083,379	-	15,083,379
Revenue bonds payable	-	-	-
Total liabilities	35,942,944	425,562	36,368,506
NET ASSETS			
Invested in capital assets, net of related debt	49,322,295	798,156	50,120,451
Restricted for:			
Debt service	11,484,455	-	11,484,455
Capital projects	-	-	-
Unrestricted	5,626,963	(418,923)	5,208,040
Total net assets	\$ 66,433,713	\$ 379,233	\$ 66,812,946

The accompanying notes are an integral part of these financial statements

Component Units			
Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
\$ 51,621	\$ 47,195	\$ 123,846	\$ 146,016
-	1,025,046	1,100,278	-
24,802	39,556	15,513	99,548
-	6,394	-	2,886
-	-	-	6,456
-	-	-	-
-	-	-	32,283
-	-	-	-
-	-	-	613,276
-	239,695	-	10,292
<u>1,067</u>	<u>1,239,595</u>	<u>-</u>	<u>4,613,770</u>
<u>77,490</u>	<u>2,597,481</u>	<u>1,239,637</u>	<u>5,524,527</u>
3,189	2,664	-	33,083
-	3,242	-	74,863
-	-	-	85,665
-	21,389	-	35,699
-	-	-	100,000
40,000	-	-	1,229
-	-	-	-
-	-	-	-
-	1,464,473	-	-
-	-	-	155,000
-	525,000	-	-
5,354	-	-	2,916
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	3,025,000
<u>48,543</u>	<u>2,016,768</u>	<u>-</u>	<u>3,513,455</u>
1,067	14,817	-	1,444,062
-	-	-	572,256
-	-	-	41,020
<u>27,880</u>	<u>565,896</u>	<u>1,239,637</u>	<u>(46,266)</u>
<u>\$ 28,947</u>	<u>\$ 580,713</u>	<u>\$ 1,239,637</u>	<u>\$ 2,011,072</u>

LUMPKIN COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2008

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,437,317	\$ 1,278,401	\$ 343,868	\$ -
Judicial	2,475,734	726,067	355,769	-
Public safety	9,260,007	1,172,305	155,547	118,112
Public works	1,181,514	1,173	215,191	45,000
Health and welfare	1,044,860	20,379	470,541	-
Culture and recreation	1,450,071	317,479	-	-
Housing and development	704,914	239,480	-	31,101
Interest on long-term debt	1,064,640	-	-	-
Total governmental activities	20,619,057	3,755,284	1,540,916	194,213
Business-type activities:				
Solid waste management	132,948	61,098	-	-
Total business-type activities	132,948	61,098	-	-
Total primary government	\$ 20,752,005	\$ 3,816,382	\$ 1,540,916	\$ 194,213
Component units:				
Health Department	\$ 907,711	\$ 677,447	\$ 166,062	\$ -
Development Authority	524,338	422,271	-	-
Hospital Authority	57,618	-	-	-
Water and Sewerage Authority	888,622	843,014	10,000	-
Total component units	\$ 2,378,289	\$ 1,942,732	\$ 176,062	\$ -
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year				
Net assets, end of year				

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

Net (Expense) Revenue and Changes in Net Assets						
Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
\$ (1,815,048)	\$ -	\$ (1,815,048)	\$ -	\$ -	\$ -	\$ -
(1,393,898)	-	(1,393,898)	-	-	-	-
(7,814,043)	-	(7,814,043)	-	-	-	-
(920,150)	-	(920,150)	-	-	-	-
(553,940)	-	(553,940)	-	-	-	-
(1,132,592)	-	(1,132,592)	-	-	-	-
(434,333)	-	(434,333)	-	-	-	-
(1,064,640)	-	(1,064,640)	-	-	-	-
<u>(15,128,644)</u>	<u>-</u>	<u>(15,128,644)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(71,850)	(71,850)	-	-	-	-
-	(71,850)	(71,850)	-	-	-	-
<u>\$ (15,128,644)</u>	<u>\$ (71,850)</u>	<u>\$ (15,200,494)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (64,202)	\$ -	\$ -	\$ -
-	-	-	-	(102,067)	-	-
-	-	-	-	-	(57,618)	-
-	-	-	-	-	-	(35,608)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (64,202)</u>	<u>\$ (102,067)</u>	<u>\$ (57,618)</u>	<u>\$ (35,608)</u>
\$ 9,707,482	\$ -	\$ 9,707,482	\$ -	\$ -	\$ -	\$ -
5,776,755	-	5,776,755	-	-	-	-
864,075	-	864,075	-	-	-	-
222,903	-	222,903	-	-	-	-
732,037	-	732,037	-	41,959	69,032	11,971
30,213	-	30,213	-	-	-	-
(56,875)	56,875	-	-	-	-	-
<u>17,276,590</u>	<u>56,875</u>	<u>17,333,465</u>	<u>-</u>	<u>41,959</u>	<u>69,032</u>	<u>11,971</u>
2,147,946	(14,975)	2,132,971	(64,202)	(60,108)	11,414	(23,637)
64,285,767	394,208	64,679,975	93,149	640,821	1,228,223	2,034,709
<u>\$ 66,433,713</u>	<u>\$ 379,233</u>	<u>\$ 66,812,946</u>	<u>\$ 28,947</u>	<u>\$ 580,713</u>	<u>\$ 1,239,637</u>	<u>\$ 2,011,072</u>

LUMPKIN COUNTY, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

ASSETS	General	Debt Service	SPLOST	Capital Projects	Nonmajor Governmental Funds	Total
Cash and cash equivalents	\$ 9,267,489	\$ 2,792,010	\$ 9,036,009	\$ -	\$ 412,811	\$ 21,508,319
Investments	-	8,600,000	-	-	-	8,600,000
Receivables (net of allowance for uncollectibles)	3,089,683	270,933	537,185	-	109,391	4,007,192
Inventories	48,763	-	-	-	-	48,763
Due from other funds	1,225,109	-	-	-	144,439	1,369,548
Due from component units	57,088	-	-	-	-	57,088
Prepaid items	279,903	-	-	-	44,194	324,097
Total assets	\$ 13,968,035	\$ 11,662,943	\$ 9,573,194	\$ -	\$ 710,835	\$ 35,915,007
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 744,198	\$ -	\$ 186,903	\$ -	\$ 56,475	\$ 987,576
Other accrued liabilities	273,460	-	-	-	-	273,460
Due to other funds	144,439	-	960,236	-	264,873	1,369,548
Deferred revenues	8,927,205	178,488	-	-	-	9,105,693
Total liabilities	10,089,302	178,488	1,147,139	-	321,348	11,736,277
FUND BALANCES						
Fund balances:						
Reserved for:						
Prepaid items	279,903	-	-	-	44,194	324,097
Inventories	48,763	-	-	-	-	48,763
Debt service	-	11,484,455	-	-	-	11,484,455
Unreserved, reported in:						
General fund	3,550,067	-	-	-	-	3,550,067
Special revenue funds	-	-	-	-	351,305	351,305
Capital projects funds	-	-	8,426,055	-	(6,012)	8,420,043
Total fund balances	3,878,733	11,484,455	8,426,055	-	389,487	24,178,730
Total liabilities and fund balances	\$ 13,968,035	\$ 11,662,943	\$ 9,573,194	\$ -	\$ 710,835	

Amounts reported for governmental activities in the statement of net assets are different because

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	67,482,276
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	863,699
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(26,182,287)
Net pension asset that is not a financial resource used in governmental activities and therefore not reported in governmental funds.	91,295
Net assets of governmental activities	\$ 66,433,713

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, 2008

	<u>General</u>	<u>Debt Service</u>	<u>SPLOST</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues:						
Taxes	\$ 12,368,543	\$ 977,808	\$ 2,444,453	\$ -	\$ 117,111	\$ 15,907,915
Licenses and permits	39,549	-	-	-	175,458	215,007
Fines and forfeitures	551,275	-	-	-	64,625	615,900
Charges for services	2,231,502	-	-	-	521,902	2,753,404
Interest income	140,793	463,379	122,830	-	5,035	732,037
Intergovernmental	880,083	-	-	-	581,041	1,461,124
Contributions and donations	37,374	-	-	-	191,631	229,005
Other	120,532	-	-	-	50,441	170,973
Total revenues	<u>16,369,651</u>	<u>1,441,187</u>	<u>2,567,283</u>	<u>-</u>	<u>1,707,244</u>	<u>22,085,365</u>
Expenditures:						
Current:						
General government	2,791,398	-	422,890	15,055	2,955	3,232,298
Judicial	1,709,915	-	-	28,152	732,278	2,470,345
Public safety	7,371,211	-	-	-	857,847	8,229,058
Public works	1,330,505	-	-	-	181	1,330,686
Health and welfare	641,075	-	-	-	-	641,075
Culture and recreation	1,307,957	-	-	1,631	-	1,309,588
Housing and development	173,110	-	-	-	522,847	695,957
Capital outlay	-	-	1,772,675	768,771	130,419	2,671,865
Debt service:						
Principal	39,237	1,022,625	275,000	41,000	-	1,377,862
Interest	79,802	717,503	222,899	1,518	-	1,021,722
Costs of debt issuance	-	-	269,879	-	-	269,879
Total expenditures	<u>15,444,210</u>	<u>1,740,128</u>	<u>2,963,343</u>	<u>856,127</u>	<u>2,246,527</u>	<u>23,250,335</u>
Excess (deficiency) of revenues over expenditures	<u>925,441</u>	<u>(298,941)</u>	<u>(396,060)</u>	<u>(856,127)</u>	<u>(539,283)</u>	<u>(1,164,970)</u>
Other financing sources (uses):						
Issuance of debt	-	-	10,000,000	-	-	10,000,000
Discount on issuance of debt	-	-	(99,060)	-	-	(99,060)
Proceeds from sale of assets	49,295	-	-	-	-	49,295
Transfers in	-	-	-	878,867	447,664	1,326,531
Transfers out	(1,355,306)	-	-	-	(28,100)	(1,383,406)
Total other financing sources (uses)	<u>(1,306,011)</u>	<u>-</u>	<u>9,900,940</u>	<u>878,867</u>	<u>419,564</u>	<u>9,893,360</u>
Net change in fund balances	(380,570)	(298,941)	9,504,880	22,740	(119,719)	8,728,390
Fund balances (deficit), beginning of year	<u>4,259,303</u>	<u>11,783,396</u>	<u>(1,078,825)</u>	<u>(22,740)</u>	<u>509,206</u>	<u>15,450,340</u>
Fund balances, end of year	<u>\$ 3,878,733</u>	<u>\$ 11,484,455</u>	<u>\$ 8,426,055</u>	<u>\$ -</u>	<u>\$ 389,487</u>	<u>\$ 24,178,730</u>

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, 2008

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 8,728,390
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,085,941
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	25,918
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	663,300
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(8,269,948)
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.	<u>(85,655)</u>
Change in net assets - governmental activities	<u>\$ 2,147,946</u>

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET ASSETS PROPRIETARY FUND

DECEMBER 31, 2008

	Solid Waste Management Fund
ASSETS	
Current assets:	
Receivables	\$ 6,509
Prepaid items	130
Total current assets	<u>6,639</u>
Noncurrent assets:	
Capital assets:	
Capital assets, not being depreciated	192,103
Capital assets, being depreciated	981,191
Less accumulated depreciation	<u>(375,138)</u>
Total capital assets, net of accumulated depreciation	<u>798,156</u>
Total assets	<u>804,795</u>
LIABILITIES	
Current liabilities:	
Compensated absences	562
Landfill postclosure, current	17,000
Total current liabilities	<u>17,562</u>
Long-term liabilities:	
Landfill postclosure	<u>408,000</u>
Total long-term liabilities	<u>408,000</u>
Total liabilities	<u>425,562</u>
NET ASSETS	
Invested in capital assets	798,156
Unrestricted	<u>(418,923)</u>
Total net assets	<u>\$ 379,233</u>

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

LUMPKIN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Solid Waste Management Fund</u>
OPERATING REVENUES	
Charges for services	\$ 15,000
Other operating income	46,098
Total operating revenues	<u>61,098</u>
OPERATING EXPENSES	
Salaries and benefits	45,971
Supplies and maintenance	50,796
Depreciation expense	36,055
Landfill postclosure	126
Total operating expenses	<u>132,948</u>
Operating loss	<u>(71,850)</u>
Transfers in	<u>56,875</u>
Change in net assets	(14,975)
NET ASSETS, beginning of year	<u>394,208</u>
NET ASSETS, end of year	<u><u>\$ 379,233</u></u>

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, 2008**

	<u>Solid Waste Management Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 62,256
Payments to suppliers and service providers	(73,364)
Payments to employees	<u>(45,767)</u>
Net cash used in operating activities	<u>(56,875)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer in from other funds	<u>56,875</u>
Net cash provided by noncapital financing activities	<u>56,875</u>
Net increase in cash and cash equivalents	-
Cash and cash equivalents:	
Beginning of year	<u>-</u>
End of year	<u><u>\$ -</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating (loss)	\$ (71,850)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	36,055
Decrease in accounts receivable	1,158
Decrease in prepaids	36
Decrease in accounts payable	(5,478)
Increase in accrued expenses	204
Decrease in landfill postclosure care costs	<u>(17,000)</u>
Net cash used in operating activities	<u><u>\$ (56,875)</u></u>

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

LUMPKIN COUNTY, GEORGIA

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2008**

ASSETS	Agency Funds
Cash	\$ 5,641,664
Taxes receivable	3,678,843
Accounts receivable	<u>11,368</u>
Total assets	<u>\$ 9,331,875</u>
LIABILITIES	
Due to others	\$ 5,653,032
Uncollected taxes	<u>3,678,843</u>
Total liabilities	<u>\$ 9,331,875</u>

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

LUMPKIN COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

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 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

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

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

NOTES TO FINANCIAL STATEMENTS

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 are 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, sales taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County. The County reports the following major governmental funds:

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

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

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

The **Capital Projects Fund** accounts for the resources accumulated and used for the acquisition and construction of major capital projects.

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

D. Deposits and Investments

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables

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

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Compensated Absences

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

I. Long-Term Obligations

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

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

J. Fund Equity

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

K. Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$26,182,287 difference are as follows:

Notes payable	\$ 16,254,492
Certificates of participation	9,725,000
Discount on issuance of certificates of participation	(94,563)
Debt issuance costs	(257,627)
Accrued interest	293,721
Compensated absences	261,264
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$ 26,182,287

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,085,941 difference are as follows:

Capital outlay	\$ 2,850,716
Depreciation expense	(1,764,775)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	\$ 1,085,941

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of the reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net assets.” The details of this \$25,918 difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the assets sold.	\$ (19,082)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	45,000
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	\$ 25,918

Another element of the reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.” The details of this \$8,269,948 difference are as follows:

Proceeds from certificates of participation	\$ 10,000,000
Discount on certificates of participation	(99,060)
Costs of issuance of certificates of participation	(269,879)
Amortization of discount and costs of issuance	16,749
Principal repayments on certificates of participation	(275,000)
Principal repayments on notes payable	(1,102,862)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	\$ 8,269,948

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$85,655 difference are as follows:

Compensated absences	\$ 63,430
Net pension asset	(16,196)
Accrued interest	<u>38,421</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	<u>\$ 85,655</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

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

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

B. Deficit Fund Equity

The following funds had deficit fund balances at December 31, 2008. The fund deficits will be reduced through anticipated revenues, lower expenditures and General Fund appropriations, as needed.

<u>Fund</u>	<u>Deficit</u>
Planning Fund	\$ 213,080
Community Development Block Grant Fund	6,012

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

C. Excess Expenditures over Appropriations

For the year ended December 31, 2008 expenditures exceeded the budget in the funds and General Fund departments as follows:

<u>Fund/Department</u>	<u>Excess</u>
General Fund - Police	\$ 1,510
Juvenile Services Fund	100
Confiscated Assets Fund	14,758
Special Programs Fund	75,848
Hotel/Motel Tax Fund	35

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

NOTE 4. DEPOSITS AND INVESTMENTS

A. Primary Government

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

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2008, the County is adequately insured or collateralized as defined by GASB pronouncements.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

A. Primary Government (Continued)

At December 31, 2008, the County had the following investments that are included in the custodial credit risk discussion above related to deposits:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificate of deposit	January 24, 1010	\$ 1,000,000
Certificate of deposit	January 24, 2011	1,540,000
Certificate of deposit	January 24, 2012	1,540,000
Certificate of deposit	January 24, 2013	1,540,000
Certificate of deposit	January 24, 2013	1,540,000
Certificate of deposit	June 24, 2013	600,000
Certificate of deposit	June 24, 2013	600,000
Certificate of deposit	June 24, 2013	240,000
		<u>\$ 8,600,000</u>

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

B. Component Unit – Development Authority

As of December 31, 2008, the Development Authority had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of deposit	June 2, 2009	\$ 500,000
Certificate of deposit	October 10, 2009	525,046

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

Custodial credit risk. As of December 31, 2008, all of the Development Authority's deposits and investments were properly collateralized with the depository financial institution.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

C. Component Unit – Water Authority

As of December 31, 2008, the Water Authority had the following investment which was rated AAAM by Standard and Poor's:

Investment	Maturity	Fair Value
US Bank Treasury Obligations Fund	51 day average maturity	\$ 572,256

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

Custodial credit risk. As of December 31, 2008, all of the Water Authority's deposits and investments were properly collateralized with the depository financial institution.

D. Component Unit – Hospital Authority

As of December 31, 2008, the Hospital Authority had the following investments:

Investment	Maturity	Fair Value
Federal Home Loan Mortgage Corp.	October 15, 2025	\$ 299,364
Federal National Mortgage Assoc.	January 30, 2023	501,565
Tennessee Valley Authority	November 15, 2015	299,349
	Total	<u>\$ 1,100,278</u>

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

Custodial credit risk. As of December 31, 2008, all of the Hospital Authority's deposits and investments were properly collateralized with the depository financial institution.

E. Component Unit – Health Department

Custodial credit risk. As of June 30, 2008, all of the Health Department's deposits and investments were properly collateralized with the depository financial institution.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

A. Primary Government

Receivables at December 31, 2008, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Debt Service Fund	SPLOST Fund	Nonmajor Governmental Funds	Solid Waste Fund
Receivables:					
Taxes	\$ 2,124,234	\$ 46,662	\$ 537,185	\$ -	\$ -
Other governments	797,920	224,271	-	52,312	-
Accounts	711,681	-	-	57,079	6,509
Gross receivables	3,633,835	270,933	537,185	109,391	6,509
Less allowance for uncollectibles	(544,152)	-	-	-	-
Net receivables	<u>\$ 3,089,683</u>	<u>\$ 270,933</u>	<u>\$ 537,185</u>	<u>\$ 109,391</u>	<u>\$ 6,509</u>

Property taxes for the 2008 fiscal year were levied on November 20, 2007, with property values assessed as of January 1, 2007. Bills are payable on or before January 31, 2008, 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 2008 are for fiscal year 2009. Amounts recorded as a receivable and amounts collected as of December 31, 2008 related to these taxes are recorded as unearned revenue in both the fund and government-wide financial statements.

B. Component Unit – Water Authority

Receivables of the Water Authority, including the applicable allowances for uncollectible accounts, consisted of the following at December 31, 2008:

Receivables:	
Accounts	\$ 137,282
Less allowance for uncollectibles	37,734
Net total receivables	<u>\$ 99,548</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 19,848,292	\$ 8,114	\$ -	\$ -	\$ 19,856,406
Infrastructure land improvements	15,119,628	-	-	-	15,119,628
Construction in progress	1,142,710	1,973,401	-	(1,027,512)	2,088,599
Total capital assets, not being depreciated	<u>36,110,630</u>	<u>1,981,515</u>	<u>-</u>	<u>(1,027,512)</u>	<u>37,064,633</u>
Capital assets, being depreciated:					
Buildings and improvements	21,984,918	135,096	-	1,027,512	23,147,526
Machinery and equipment	2,937,405	212,569	-	-	3,149,974
Vehicles	3,217,836	239,079	(125,743)	-	3,331,172
Infrastructure	17,377,722	327,457	(168,280)	-	17,536,899
Total capital assets, being depreciated	<u>45,517,881</u>	<u>914,201</u>	<u>(294,023)</u>	<u>1,027,512</u>	<u>47,165,571</u>
Less accumulated depreciation for:					
Buildings and improvements	3,162,774	406,397	-	-	3,569,171
Machinery and equipment	1,939,133	198,897	-	-	2,138,030
Vehicles	1,907,501	219,680	(115,971)	-	2,011,210
Infrastructure	8,248,686	939,801	(158,970)	-	9,029,517
Total accumulated depreciation	<u>15,258,094</u>	<u>1,764,775</u>	<u>(274,941)</u>	<u>-</u>	<u>16,747,928</u>
Total capital assets, being depreciated, net	<u>30,259,787</u>	<u>(850,574)</u>	<u>(19,082)</u>	<u>1,027,512</u>	<u>30,417,643</u>
Governmental activities capital assets, net	<u>\$ 66,370,417</u>	<u>\$ 1,130,941</u>	<u>\$ (19,082)</u>	<u>\$ -</u>	<u>\$ 67,482,276</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 192,103	\$ -	\$ -	\$ 192,103
Total capital assets, not being depreciated	192,103	-	-	192,103
Capital assets, being depreciated:				
Land improvements	291,585	-	-	291,585
Buildings and improvements	542,006	-	-	542,006
Machinery and equipment	95,600	-	-	95,600
Vehicles	52,000	-	-	52,000
Total capital assets, being depreciated	981,191	-	-	981,191
Less accumulated depreciation for:				
Land improvements	187,056	12,084	-	199,140
Buildings and improvements	53,898	12,757	-	66,655
Machinery and equipment	77,555	9,360	-	86,915
Vehicles	20,574	1,854	-	22,428
Total accumulated depreciation	339,083	36,055	-	375,138
Total capital assets, being depreciated, net	642,108	(36,055)	-	606,053
Business-type activities capital assets, net	\$ 834,211	\$ (36,055)	\$ -	\$ 798,156

NOTES TO FINANCIAL STATEMENTS

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	\$ 188,477
Judicial	2,532
Public safety	1,001,586
Public works	13,182
Health and welfare	403,785
Culture and recreation	141,372
Housing and development	13,841
Total depreciation expense - governmental activities	<u>\$ 1,764,775</u>

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 430,082	\$ -	\$ (190,387)	\$ 239,695
Total	<u>430,082</u>	<u>-</u>	<u>(190,387)</u>	<u>239,695</u>
Capital assets, being depreciated:				
Building	1,370,000	7,227	-	1,377,227
Total	<u>1,370,000</u>	<u>7,227</u>	<u>-</u>	<u>1,377,227</u>
Less accumulated depreciation for:				
Building	(109,600)	(28,032)	-	(137,632)
Total	<u>(109,600)</u>	<u>(28,032)</u>	<u>-</u>	<u>(137,632)</u>
Total capital assets, being depreciated, net	<u>1,260,400</u>	<u>(20,805)</u>	<u>-</u>	<u>1,239,595</u>
Total capital assets, net	<u>\$ 1,690,482</u>	<u>\$ (20,805)</u>	<u>\$ (190,387)</u>	<u>\$ 1,479,290</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Water Authority

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 10,292	\$ -	\$ -	\$ 10,292
Total	<u>10,292</u>	<u>-</u>	<u>-</u>	<u>10,292</u>
Capital assets, being depreciated:				
Infrastructure	5,419,675	121,307	-	5,540,982
Machinery and equipment	17,675	-	-	17,675
Vehicles	18,647	-	-	18,647
Total	<u>5,455,997</u>	<u>121,307</u>	<u>-</u>	<u>5,577,304</u>
Less accumulated depreciation for:				
Infrastructure	(763,778)	(180,377)	-	(944,155)
Machinery and equipment	(10,806)	(3,398)	-	(14,204)
Vehicles	(1,818)	(3,357)	-	(5,175)
Total	<u>(776,402)</u>	<u>(187,132)</u>	<u>-</u>	<u>(963,534)</u>
Total capital assets, being depreciated, net	<u>4,679,595</u>	<u>(65,825)</u>	<u>-</u>	<u>4,613,770</u>
Total capital assets, net	<u>\$ 4,689,887</u>	<u>\$ (65,825)</u>	<u>\$ -</u>	<u>\$ 4,624,062</u>

D. Discretely Presented Component Unit – Department of Public Health

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Machinery and equipment	\$ 12,344	\$ -	\$ -	\$ 12,344
Total capital assets, being depreciated	<u>12,344</u>	<u>-</u>	<u>-</u>	<u>12,344</u>
Less accumulated depreciation for:				
Machinery and equipment	(10,743)	(534)	-	(11,277)
Total accumulated depreciation	<u>(10,743)</u>	<u>(534)</u>	<u>-</u>	<u>(11,277)</u>
Total capital assets, net	<u>\$ 1,601</u>	<u>\$ (534)</u>	<u>\$ -</u>	<u>\$ 1,067</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2008, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 264,874
General Fund	SPLOST Fund	960,235
Nonmajor governmental funds	General Fund	144,439

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended December 31, 2008 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Capital Projects Fund	General Fund	\$ 878,867
Nonmajor governmental funds	General Fund	419,564
Nonmajor governmental funds	Nonmajor governmental funds	28,100
Solid Waste Fund	General Fund	56,875

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:

<u>Receivable entity</u>	<u>Payable entity</u>	<u>Amount</u>
Lumpkin County	Development Authority	\$ 21,389
Lumpkin County	Water & Sewerage Authority	35,699
		<u>\$ 57,088</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2008:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Certificates of participation	\$ -	\$ 10,000,000	\$ (275,000)	\$ 9,725,000	\$ 135,000
Less: Discount	-	(99,060)	4,497	(94,563)	-
Total certificates of participation	-	9,900,940	(270,503)	9,630,437	135,000
Notes payable	17,357,354	-	(1,102,862)	16,254,492	1,171,113
Compensated absences	197,834	284,880	(221,450)	261,264	261,264
Governmental activities long-term liabilities	<u>\$ 17,555,188</u>	<u>\$ 10,185,820</u>	<u>\$ (1,594,815)</u>	<u>\$ 26,146,193</u>	<u>\$ 1,567,377</u>
Business-type Activities:					
Landfill postclosure costs	\$ 442,000	\$ -	\$ (17,000)	\$ 425,000	\$ 17,000
Compensated absences	358	1,470	(1,266)	562	562
Business-type activities long-term liabilities	<u>\$ 442,358</u>	<u>\$ 1,470</u>	<u>\$ (18,266)</u>	<u>\$ 425,562</u>	<u>\$ 17,562</u>

For governmental funds, compensated absences 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 right 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 seq. for the purpose of paying off and retiring a substantial portion of this debt.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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

Year ending December 31,	Principal	Interest	Total
2009	\$ 1,020,000	\$ 517,121	\$ 1,537,121
2010	1,090,000	449,880	1,539,880
2011	1,160,000	378,061	1,538,061
2012	1,235,000	301,483	1,536,483
2013	1,315,000	301,483	1,616,483
2014 - 2017	3,145,000	486,285	3,631,285
Total	\$ 8,965,000	\$ 2,434,313	\$ 11,399,313

In September 1999, Lumpkin County and the City of Dahlonega borrowed \$4,475,000 from the Georgia Environmental Facilities Authority (GEFA) to develop a reservoir. During 2001, the City and County entered into an agreement to increase the loan amount to \$14,000,000. During 2006, the reservoir was completed and the loan finalized. The County's share of the obligation as of December 31, 2008, was \$7,186,492 which is 52% of the total debt outstanding. The note carries an interest rate of 3%.

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

Year ending December 31,	Principal	Interest	Total
2009	\$ 110,113	\$ 214,089	\$ 324,202
2010	113,462	210,740	324,202
2011	116,913	207,289	324,202
2012	120,469	203,733	324,202
2013	124,133	200,068	324,201
2014 - 2018	679,649	941,358	1,621,007
2019 - 2023	789,492	831,515	1,621,007
2024 - 2028	917,087	703,920	1,621,007
2029 - 2033	1,065,304	555,703	1,621,007
2034 - 2038	1,237,475	383,533	1,621,008
2039 - 2043	1,437,471	183,536	1,621,007
2044 - 2045	474,924	11,359	486,283
Total	\$ 7,186,492	\$ 4,646,843	\$ 11,833,335

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

In 2006, the County financed a mapping project through the contractor organization. The County paid \$45,500 up front and financed the remaining \$100,000. Of the amount financed, \$19,500 was to be paid during 2006, with the remaining \$80,500 to be paid over a four year period with a 5% interest fee charged each year. The \$19,500 was not paid until 2007 along with the first of the four annual payments.

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

Year ending December 31,	Principal	Interest	Total
2009	\$ 20,000	\$ 1,000	\$ 21,000
2010	20,000	1,000	21,000
Total	\$ 40,000	\$ 2,000	\$ 42,000

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

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

Year ending December 31,	Principal	Interest	Total
2009	\$ 21,000	\$ 3,150	\$ 24,150
2010	21,000	2,100	23,100
2011	21,000	1,050	22,050
Total	\$ 63,000	\$ 6,300	\$ 69,300

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 135,000	\$ 364,976	\$ 499,976
2010	135,000	360,926	495,926
2011	140,000	356,876	496,876
2012	145,000	352,676	497,676
2013	150,000	348,326	498,326
2014-2018	2,710,000	1,551,751	4,261,751
2019-2023	3,230,000	1,026,883	4,256,883
2024-2027	3,080,000	324,688	3,404,688
Total	<u>\$ 9,725,000</u>	<u>\$ 4,687,102</u>	<u>\$ 14,412,102</u>

Conduit debt. In December 2001, the Lumpkin County Public Building Authority issued \$5,000,000 in aggregate principal amount of Lumpkin County School District Qualified Zone Academy Project Bonds, Series 2001. The proceeds were used to rehabilitate, repair, renovate, extend and improve Lumpkin County Middle School and Lumpkin County Elementary School. As of December 31, 2008, the amount outstanding related to these bonds is \$1,939,814. The obligation of the Lumpkin County School District to make the payment required by the contract is a general obligation of the Lumpkin County School District for which its full faith and credit and taxing power are pledged. The Public Building Authority has no obligation to repay this debt beyond the funds received from the Lumpkin County School District. As a result, these bonds are considered conduit debt for the Public Building Authority and are not reported as liabilities.

Landfill postclosure 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, 2008, the County has a remaining 25 years of monitoring. Engineering studies estimate postclosure costs of approximately \$425,000 over the 25 year period. These costs are based on what it would cost to perform all postclosure care in 2008, 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 postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Development Authority

Debt activity for the year ended December 31, 2008 is as follows:

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

Note Payable. The Authority issued a note payable on January 22, 2004 with a financial institution in order to finance the purchase of property. The note is secured by the real estate and lease receipts and will be repaid upon the sale of the property. Because the Authority has not sold the property, the note has been refinanced several times. The balance outstanding as of December 31, 2008 is \$1,464,473 and the note matures in October 2009. Interest is paid monthly at the 30 Day LIBOR rate plus 2.4%, which was 4.64% at December 31, 2008 and will amount to \$56,626 during 2009.

C. Discretely Presented Component Unit – Water Authority

Long-term debt activity for the year ended December 31, 2008 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	\$ 3,310,000	\$ -	\$ (130,000)	\$ 3,180,000	\$ 155,000
Compensated absences	4,286	1,130	(1,271)	4,145	1,229
Total long-term liabilities	<u>\$ 3,314,286</u>	<u>\$ 1,130</u>	<u>\$ (131,271)</u>	<u>\$ 3,184,145</u>	<u>\$ 156,229</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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

Revenue bond debt service requirements to maturity are as follows:

Year ending December 31,	Principal	Interest	Total
2009	\$ 155,000	\$ 171,642	\$ 326,642
2010	185,000	161,331	346,331
2011	195,000	150,361	345,361
2012	205,000	138,825	343,825
2013	215,000	126,725	341,725
2014 - 2018	1,275,000	426,928	1,701,928
2019 - 2021	950,000	60,125	1,010,125
Total	<u>\$ 3,180,000</u>	<u>\$ 1,235,937</u>	<u>\$ 4,415,937</u>

D. Health Department – Component Unit.

The following is a summary of the Health Department's long-term debt activity for the year ended June 30, 2008:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	<u>\$ 41,659</u>	<u>\$ 43,826</u>	<u>\$ (40,131)</u>	<u>\$ 45,354</u>	<u>\$ 40,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN

Plan Description

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

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

Funding Policy

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

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the year beginning January 1, 2008, (the most recent actuarial valuation date) are as follows:

	January 1, 2008	January 1, 2007
<u>Derivation of Annual Pension Cost</u>		
Annual Required Contribution	\$ 219,349	\$ 174,608
Interest on Net Pension Obligation	(6,008)	(4,896)
Amortization of Net Pension Obligation	6,339	5,166
Annual Pension Cost	\$ 219,680	\$ 174,878
 <u>Derivation of Net Pension Obligation</u>		
Annual Pension Cost for Current Year		\$ 219,680
Actual Contributions to Plan for Current Year		235,876
Increase in Net Pension Obligation		(16,196)
Net Pension Obligation (Asset) as of December 31, 2007		(75,099)
Net Pension Obligation (Asset) as of December 31, 2008		\$ (91,295)

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Basis of Valuation

Current Valuation Date	January 1, 2008
Annual Return on Invested Plan Assets	8.0%
Projected Annual Salary Increases	6.0%
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (closed)
Remaining Amortization Period	10

The following is a schedule of funding progress:

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL)</u>	<u>(b-a) Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Covered Payroll</u>	<u>[(b-a)/c] UAAAL as a Percentage of Covered Payroll</u>
12/31/2008	\$ 1,006,023	\$ 1,694,220	\$ 688,197	59.38 %	\$ 4,536,121	15.17 %

See required supplementary information for a history of funding progress.

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 March 1, 2008.

Trend Information for The Plan

<u>Fiscal Year Beginning</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual County Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
1/1/08	\$ 219,680	\$ 235,876	107.4 %	\$ (91,295)
1/1/07	174,878	188,774	107.9	(75,099)
1/1/06	162,991	179,614	110.2	(61,203)

NOTES TO FINANCIAL STATEMENTS

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, 2008, the County's covered payroll for employees participating in this plan was \$4,744,606 and total payroll was \$8,487,765. The County's contribution was \$181,303 and employee contributions were \$94,893.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at December 31, 2008, the County has contractual commitments on uncompleted contracts of approximately \$1,458,506.

Litigation

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

Grant Contingencies

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

NOTE 13. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Georgia Mountain Regional Development Center (RDC) and is required to pay annual dues thereto. During the year ended December 31, 2008, the County paid \$22,280 in such dues. Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

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

Georgia Mountain Regional Development Center
P.O. Box 1720
Gainesville, GA 30503

NOTES TO FINANCIAL STATEMENTS

NOTE 13. JOINT VENTURE (CONTINUED)

The County participates with Union and Towns Counties in the North Georgia Waste Management Authority. The Authority studied solid waste disposal issues, developed a plan to recycle waste paper and has leased those facilities to private entities. Lumpkin County has an ongoing financial interest and obligation for funding debt service requirements. The participating counties are annually assessed varying amounts to cover the Authority's inability to service its debt. During the year ended December 31, 2008, the County made no payments to the Authority. Separate financial statements can be obtained from their office at:

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

NOTE 14. HOTEL/MOTEL TAX

The County has levied a 6% lodging tax. During the year ended December 31, 2008, the County collected \$117,035 in revenues. Of this amount \$117,035, or 100%, was expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTE 15. CHANGE IN REPORTING ENTITY

In previous years, the County accounted for the use of confiscated assets by the County's Sheriff's Department in the Special Programs fund. As of December 31, 2008, the County created a Confiscated Assets fund in order to account for the activity in compliance with the Georgia Department of Audit's Uniform Chart of Accounts. The beginning fund balance of \$11,820 was transferred from the Special Programs fund to properly state prior years' activity.

REQUIRED SUPPLEMENTARY INFORMATION

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 12,802,952	\$ 12,802,952	\$ 12,368,543	\$ (434,409)
Licenses and permits	29,200	29,200	39,549	10,349
Fines and forfeitures	512,550	512,550	551,275	38,725
Charges for services	2,208,339	2,218,129	2,231,502	13,373
Interest income	315,585	315,585	140,793	(174,792)
Intergovernmental	424,060	535,192	880,083	344,891
Contributions and donations	8,000	8,000	37,374	29,374
Other	93,079	145,834	120,532	(25,302)
Total revenues	16,393,765	16,567,442	16,369,651	(197,791)
Expenditures:				
Current:				
General government:				
Legislative	144,170	146,089	146,015	74
Executive	294,296	294,205	278,383	15,822
Board of elections	211,979	213,467	197,597	15,870
Human resources	146,611	168,729	168,185	544
Financial administration	409,389	412,579	379,343	33,236
Data processing	192,509	248,933	246,021	2,912
Tax commissioner	418,668	422,407	411,219	11,188
Public/General buildings	390,883	454,375	430,968	23,407
Customer service	396,569	292,709	107,318	185,391
Tax assessor	413,496	413,496	393,207	20,289
Risk management	34,000	39,000	33,142	5,858
Total general government	3,052,570	3,105,989	2,791,398	314,591
Judicial:				
Judicial administration	375,828	396,128	396,073	55
Superior court	370,513	280,458	174,678	105,780
Clerk superior court	617,366	617,698	609,404	8,294
District attorney	41,310	49,310	42,447	6,863
Magistrate court	284,748	284,615	259,449	25,166
Probate court	245,981	245,981	227,864	18,117
Total judicial	1,935,746	1,874,190	1,709,915	164,275
Public safety:				
Police	2,000	2,000	3,510	(1,510)
Fire	2,174,866	2,208,453	2,159,839	48,614
Sheriff	4,860,169	5,001,754	4,854,072	147,682
Emergency medical services	175,201	175,110	164,760	10,350
Coroner	41,138	41,138	37,270	3,868
Other protection	155,869	155,869	151,760	4,109
Total public safety	7,409,243	7,584,324	7,371,211	213,113
Public works:				
Public works administration	104,567	104,567	89,027	15,540
Highways and streets	1,233,428	1,275,880	1,078,342	197,538
Sanitation and wastewater	174,351	175,965	163,136	12,829
Total public works	1,512,346	1,556,412	1,330,505	225,907

(Continued)

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures: (Continued)				
Health and welfare:				
Health	\$ 296,865	\$ 296,865	\$ 296,721	\$ 144
Welfare	43,925	43,925	25,925	18,000
Community services	368,888	369,288	318,429	50,859
Total health and welfare	709,678	710,078	641,075	69,003
Culture and recreation:				
Participant recreation	835,223	784,321	725,193	59,128
Special facilities	126,432	127,109	95,324	31,785
Library	487,440	487,440	487,440	-
Total culture and recreation	1,449,095	1,398,870	1,307,957	90,913
Housing and development:				
Conservation	59,054	57,738	56,452	1,286
Economic development	148,260	148,260	116,658	31,602
Total housing and development	207,314	205,998	173,110	32,888
Debt service:				
Principal	39,238	39,238	39,237	1
Interest	79,802	79,802	79,802	-
Total debt service	119,040	119,040	119,039	1
Total expenditures	16,395,032	16,554,901	15,444,210	1,110,691
Excess of revenues over expenditures	(1,267)	12,541	925,441	912,900
Other financing sources (uses):				
Proceeds from sale of assets	-	-	49,295	49,295
Transfers out	(1,231,236)	(1,433,023)	(1,355,306)	77,717
Total other financing uses	(1,231,236)	(1,433,023)	(1,306,011)	127,012
Net change in fund balances	(1,232,503)	(1,420,482)	(380,570)	1,039,912
Fund balances, beginning of year	4,259,303	4,259,303	4,259,303	-
Fund balances, end of year	\$ 3,026,800	\$ 2,838,821	\$ 3,878,733	\$ 1,039,912

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FUNDING PROGRESS
RETIREMENT PLAN

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
December 31,2008	\$ 1,006,023	\$ 1,694,220	\$ 688,197	59.4%	\$ 4,536,121	15.2%
December 31,2007	779,863	1,309,860	529,997	59.5%	3,725,143	14.2%
December 31,2006	582,296	1,136,212	553,916	51.2%	3,680,943	15.0%
December 31,2005	408,935	1,064,961	656,026	38.4%	3,525,890	18.6%
December 31,2004	258,504	920,361	661,857	28.1%	3,451,296	19.2%
December 31,2003	106,545	770,435	663,890	13.8%	3,188,737	20.8%

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Drug Rehabilitation Fund - to account for funds collected from fines and forfeitures to be used to create and maintain a Drug Abuse Treatment and Education Fund.

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

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

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

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

North Georgia Waste Management Fund - to account for the revenues and related debt service payments to North Georgia Waste Management established by agreement between Towns, Union, and Lumpkin Counties.

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

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

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

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

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

Hotel/Motel Tax Fund - to account for the collection of hotel/motel taxes within the County and for the expenditures made distributing the collections to the appropriate entities.

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

Capital Projects Fund

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

LUMPKIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	Special Revenue Funds						
	Drug Rehabilitation Fund	Law Library Fund	Emergency Telephone System Fund	Drug Court Fund	Juvenile Services Fund	North Georgia Waste Management Fund	Confiscated Assets Fund
ASSETS							
Cash and cash equivalents	\$ 3,354	\$ 169,846	\$ -	\$ 84,388	\$ -	\$ -	\$ -
Receivables, net of allowance for uncollectibles	-	-	37,242	2,122	11,946	-	-
Due from other funds	23,214	-	-	-	-	-	-
Prepaid items	-	-	14,064	700	-	-	-
Total assets	<u>\$ 26,568</u>	<u>\$ 169,846</u>	<u>\$ 51,306</u>	<u>\$ 87,210</u>	<u>\$ 11,946</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ 8,929	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	7,182	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,929</u>	<u>7,182</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)							
Reserved for prepaids	-	-	14,064	700	-	-	-
Unreserved, undesignated	26,568	169,846	37,242	77,581	4,764	-	-
Total fund balances (deficit)	<u>26,568</u>	<u>169,846</u>	<u>51,306</u>	<u>78,281</u>	<u>4,764</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 26,568</u>	<u>\$ 169,846</u>	<u>\$ 51,306</u>	<u>\$ 87,210</u>	<u>\$ 11,946</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds						Capital Projects Fund	Total Nonmajor Governmental Funds
Special Programs Fund	Public Defender Fund	Technology Fee Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Planning Fund	Community Development Block Grant Fund	
\$ 15,399	\$ 108,148	\$ 18,986	\$ -	\$ 11,690	\$ -	\$ 1,000	\$ 412,811
-	-	-	33,072	5,569	200	19,240	109,391
-	-	11,434	109,791	-	-	-	144,439
-	26,049	-	719	-	2,662	-	44,194
<u>\$ 15,399</u>	<u>\$ 134,197</u>	<u>\$ 30,420</u>	<u>\$ 143,582</u>	<u>\$ 17,259</u>	<u>\$ 2,862</u>	<u>\$ 20,240</u>	<u>\$ 710,835</u>
\$ -	\$ 47,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,475
-	42	-	-	15,455	215,942	26,252	264,873
-	47,588	-	-	15,455	215,942	26,252	321,348
-	26,049	-	719	-	2,662	-	44,194
15,399	60,560	30,420	142,863	1,804	(215,742)	(6,012)	345,293
15,399	86,609	30,420	143,582	1,804	(213,080)	(6,012)	389,487
<u>\$ 15,399</u>	<u>\$ 134,197</u>	<u>\$ 30,420</u>	<u>\$ 143,582</u>	<u>\$ 17,259</u>	<u>\$ 2,862</u>	<u>\$ 20,240</u>	<u>\$ 710,835</u>

LUMPKIN COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Special Revenue Funds						
	Drug Rehabilitation Fund	Law Library Fund	Emergency Telephone System Fund	Drug Court Fund	Juvenile Services Fund	North Georgia Waste Management Fund	Confiscated Assets Fund
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Fines and forfeitures	38,486	22,274	-	-	-	-	3,865
Charges for services	-	-	393,816	43,776	569	-	-
Interest income	-	-	-	1,952	-	-	73
Intergovernmental	-	-	-	16,278	20,635	-	-
Contributions and donations	-	-	-	57,500	-	-	-
Other revenues	-	-	-	3,176	-	-	-
Total revenues	<u>38,486</u>	<u>22,274</u>	<u>393,816</u>	<u>122,682</u>	<u>21,204</u>	<u>-</u>	<u>3,938</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Judicial	-	22,710	-	152,347	20,735	-	-
Public safety	8,771	-	561,830	-	-	-	15,758
Public works	-	-	-	-	-	181	-
Culture and recreation	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>8,771</u>	<u>22,710</u>	<u>561,830</u>	<u>152,347</u>	<u>20,735</u>	<u>181</u>	<u>15,758</u>
Excess (deficiency) of revenues over expenditures	29,715	(436)	(168,014)	(29,665)	469	(181)	(11,820)
Other financing sources (uses):							
Transfers in	-	-	159,543	28,100	-	-	-
Transfers out	(28,100)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(28,100)</u>	<u>-</u>	<u>159,543</u>	<u>28,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,615	(436)	(8,471)	(1,565)	469	(181)	(11,820)
Fund balances, beginning of year	<u>24,953</u>	<u>170,282</u>	<u>59,777</u>	<u>79,846</u>	<u>4,295</u>	<u>181</u>	<u>11,820</u>
Fund balances (deficit), end of year	<u>\$ 26,568</u>	<u>\$ 169,846</u>	<u>\$ 51,306</u>	<u>\$ 78,281</u>	<u>\$ 4,764</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds						Capital Projects Fund	Total Nonmajor Governmental Funds
Special Programs Fund	Public Defender Fund	Technology Fee Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Planning Fund	Community Development Block Grant Fund	
\$ -	\$ -	\$ -	\$ -	\$ 117,111	\$ -	\$ -	\$ 117,111
-	-	-	-	-	175,458	-	175,458
-	-	-	-	-	-	-	64,625
47,221	-	19,246	-	-	17,274	-	521,902
217	2,384	-	-	409	-	-	5,035
-	261,356	-	251,671	-	-	31,101	581,041
21,385	-	-	112,746	-	-	-	191,631
-	47,265	-	-	-	-	-	50,441
<u>68,823</u>	<u>311,005</u>	<u>19,246</u>	<u>364,417</u>	<u>117,520</u>	<u>192,732</u>	<u>31,101</u>	<u>1,707,244</u>
-	-	-	2,955	-	-	-	2,955
-	401,048	51,641	83,797	-	-	-	732,278
95,848	-	-	175,640	-	-	-	857,847
-	-	-	-	-	-	-	181
-	-	-	-	-	-	-	-
-	-	-	-	117,035	405,812	-	522,847
-	-	-	98,307	-	-	32,112	130,419
<u>95,848</u>	<u>401,048</u>	<u>51,641</u>	<u>360,699</u>	<u>117,035</u>	<u>405,812</u>	<u>32,112</u>	<u>2,246,527</u>
(27,025)	(90,043)	(32,395)	3,718	485	(213,080)	(1,011)	(539,283)
-	109,487	-	150,534	-	-	-	447,664
-	-	-	-	-	-	-	(28,100)
-	<u>109,487</u>	-	<u>150,534</u>	-	-	-	<u>419,564</u>
(27,025)	19,444	(32,395)	154,252	485	(213,080)	(1,011)	(119,719)
42,424	67,165	62,815	(10,670)	1,319	-	(5,001)	509,206
<u>\$ 15,399</u>	<u>\$ 86,609</u>	<u>\$ 30,420</u>	<u>\$ 143,582</u>	<u>\$ 1,804</u>	<u>\$ (213,080)</u>	<u>\$ (6,012)</u>	<u>\$ 389,487</u>

**LUMPKIN COUNTY, GEORGIA
DRUG REHABILITATION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ 38,486	\$ 13,486
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>38,486</u>	<u>13,486</u>
Expenditures:				
Current:				
Public safety	8,840	8,840	8,771	69
Total expenditures	<u>8,840</u>	<u>8,840</u>	<u>8,771</u>	<u>69</u>
Excess of revenues over expenditures	<u>16,160</u>	<u>16,160</u>	<u>29,715</u>	<u>13,555</u>
Other financing uses:				
Transfers out	(56,200)	(56,200)	(28,100)	28,100
Total other financing uses	<u>(56,200)</u>	<u>(56,200)</u>	<u>(28,100)</u>	<u>28,100</u>
Net changes in fund balances	(40,040)	(40,040)	1,615	41,655
Fund balances, beginning of year	<u>24,953</u>	<u>24,953</u>	<u>24,953</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ (15,087)</u>	<u>\$ (15,087)</u>	<u>\$ 26,568</u>	<u>\$ 41,655</u>

LUMPKIN COUNTY, GEORGIA
LAW LIBRARY FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ 22,274	\$ (2,726)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>22,274</u>	<u>(2,726)</u>
Expenditures:				
Current:				
Judicial	40,000	40,000	22,710	17,290
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>22,710</u>	<u>17,290</u>
Net changes in fund balances	<u>(15,000)</u>	<u>(15,000)</u>	<u>(436)</u>	<u>14,564</u>
Fund balances, beginning of year	<u>170,282</u>	<u>170,282</u>	<u>170,282</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 155,282</u></u>	<u><u>\$ 155,282</u></u>	<u><u>\$ 169,846</u></u>	<u><u>\$ 14,564</u></u>

**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, 2008**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 325,250	\$ 325,250	\$ 393,816	\$ 68,566
Total revenues	<u>325,250</u>	<u>325,250</u>	<u>393,816</u>	<u>68,566</u>
Expenditures:				
Current:				
Public safety	569,928	569,928	561,830	8,098
Total expenditures	<u>569,928</u>	<u>569,928</u>	<u>561,830</u>	<u>8,098</u>
Deficiency of revenues over expenditures	<u>(244,678)</u>	<u>(244,678)</u>	<u>(168,014)</u>	<u>76,664</u>
Other financing sources:				
Transfers in	244,678	244,678	159,543	(85,135)
Total other financing sources	<u>244,678</u>	<u>244,678</u>	<u>159,543</u>	<u>(85,135)</u>
Net changes in fund balances	-	-	(8,471)	(8,471)
Fund balances, beginning of year	<u>59,777</u>	<u>59,777</u>	<u>59,777</u>	<u>-</u>
Fund balances, end of year	<u>\$ 59,777</u>	<u>\$ 59,777</u>	<u>\$ 51,306</u>	<u>\$ (8,471)</u>

**LUMPKIN COUNTY, GEORGIA
DRUG COURT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 47,500	\$ 47,500	\$ 43,776	\$ (3,724)
Intergovernmental	-	-	16,278	16,278
Interest income	500	500	1,952	1,452
Contributions	57,500	57,500	57,500	-
Miscellaneous	-	-	3,176	3,176
Total revenues	<u>105,500</u>	<u>105,500</u>	<u>122,682</u>	<u>17,182</u>
Expenditures:				
Current:				
Judicial	161,700	161,700	152,347	9,353
Total expenditures	<u>161,700</u>	<u>161,700</u>	<u>152,347</u>	<u>9,353</u>
Deficiency of revenues over expenditures	<u>(56,200)</u>	<u>(56,200)</u>	<u>(29,665)</u>	<u>26,535</u>
Other financing sources:				
Transfers in	56,200	56,200	28,100	(28,100)
Total other financing sources	<u>56,200</u>	<u>56,200</u>	<u>28,100</u>	<u>(28,100)</u>
Net changes in fund balances	-	-	(1,565)	(1,565)
Fund balances, beginning of year	<u>79,846</u>	<u>79,846</u>	<u>79,846</u>	<u>-</u>
Fund balances, end of year	<u>\$ 79,846</u>	<u>\$ 79,846</u>	<u>\$ 78,281</u>	<u>\$ (1,565)</u>

**LUMPKIN COUNTY, GEORGIA
JUVENILE SERVICES FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 569	\$ 569
Intergovernmental	-	14,335	20,635	6,300
Total revenues	-	14,335	21,204	6,869
Expenditures:				
Current:				
Judicial	6,300	20,635	20,735	(100)
Total expenditures	6,300	20,635	20,735	(100)
Net changes in fund balances	(6,300)	(6,300)	469	6,769
Fund balances, beginning of year	4,295	4,295	4,295	-
Fund balances (deficit), end of year	<u>\$ (2,005)</u>	<u>\$ (2,005)</u>	<u>\$ 4,764</u>	<u>\$ 6,769</u>

**LUMPKIN COUNTY, GEORGIA
CONFISCATED ASSETS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 3,865	\$ 2,865
Interest income	-	-	73	73
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>3,938</u>	<u>2,938</u>
Expenditures:				
Current:				
Public safety	1,000	1,000	15,758	(14,758)
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>15,758</u>	<u>(14,758)</u>
Net changes in fund balances	-	-	(11,820)	(11,820)
Fund balances, beginning of year	<u>11,820</u>	<u>11,820</u>	<u>11,820</u>	<u>-</u>
Fund balances, end of year	<u>\$ 11,820</u>	<u>\$ 11,820</u>	<u>\$ -</u>	<u>\$ (11,820)</u>

**LUMPKIN COUNTY, GEORGIA
SPECIAL PROGRAMS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 47,221	\$ 27,221
Contributions and donations	-	-	21,385	21,385
Interest income	-	-	217	217
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>68,823</u>	<u>48,823</u>
Expenditures:				
Current:				
Public safety	20,000	20,000	95,848	(75,848)
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>95,848</u>	<u>(75,848)</u>
Net changes in fund balances	-	-	(27,025)	(27,025)
Fund balances, beginning of year	<u>42,424</u>	<u>42,424</u>	<u>42,424</u>	<u>-</u>
Fund balances, end of year	<u>\$ 42,424</u>	<u>\$ 42,424</u>	<u>\$ 15,399</u>	<u>\$ (27,025)</u>

**LUMPKIN COUNTY, GEORGIA
PUBLIC DEFENDER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 266,356	\$ 266,356	\$ 261,356	\$ (5,000)
Interest income	-	-	2,384	2,384
Miscellaneous	-	47,000	47,265	265
Total revenues	<u>266,356</u>	<u>313,356</u>	<u>311,005</u>	<u>(2,351)</u>
Expenditures:				
Current:				
Judicial	375,843	423,123	401,048	22,075
Total expenditures	<u>375,843</u>	<u>423,123</u>	<u>401,048</u>	<u>22,075</u>
Deficiency of revenues over expenditures	<u>(109,487)</u>	<u>(109,767)</u>	<u>(90,043)</u>	<u>19,724</u>
Other financing sources:				
Transfers in	109,487	109,487	109,487	-
Total other financing sources	<u>109,487</u>	<u>109,487</u>	<u>109,487</u>	<u>-</u>
Net changes in fund balances	-	(280)	19,444	19,724
Fund balances, beginning of year	<u>67,165</u>	<u>67,165</u>	<u>67,165</u>	<u>-</u>
Fund balances, end of year	<u>\$ 67,165</u>	<u>\$ 66,885</u>	<u>\$ 86,609</u>	<u>\$ 19,724</u>

**LUMPKIN COUNTY, GEORGIA
TECHNOLOGY FEE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 3,600	\$ 55,600	\$ 19,246	\$ (36,354)
Total revenues	<u>3,600</u>	<u>55,600</u>	<u>19,246</u>	<u>(36,354)</u>
Expenditures:				
Current:				
Judicial	3,600	55,600	51,641	3,959
Total expenditures	<u>3,600</u>	<u>55,600</u>	<u>51,641</u>	<u>3,959</u>
Net changes in fund balances	-	-	(32,395)	(32,395)
Fund balances, beginning of year	<u>62,815</u>	<u>62,815</u>	<u>62,815</u>	<u>-</u>
Fund balances, end of year	<u>\$ 62,815</u>	<u>\$ 62,815</u>	<u>\$ 30,420</u>	<u>\$ (32,395)</u>

**LUMPKIN COUNTY, GEORGIA
MULTIPLE GRANT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 224,738	\$ 239,738	\$ 251,671	\$ 11,933
Contributions and donations	-	-	112,746	112,746
Miscellaneous	7,315	7,315	-	(7,315)
Total revenues	<u>232,053</u>	<u>247,053</u>	<u>364,417</u>	<u>117,364</u>
Expenditures:				
Current:				
General government	131,944	131,944	2,955	128,989
Public safety	92,045	100,372	175,640	(75,268)
Judicial	86,723	86,723	83,797	2,926
Capital outlay	139,999	169,999	98,307	71,692
Total expenditures	<u>450,711</u>	<u>489,038</u>	<u>360,699</u>	<u>128,339</u>
Excess (deficiency) of revenues over expenditures	<u>(218,658)</u>	<u>(241,985)</u>	<u>3,718</u>	<u>245,703</u>
Other financing sources:				
Transfers in	218,658	233,658	150,534	(83,124)
Total other financing sources	<u>218,658</u>	<u>233,658</u>	<u>150,534</u>	<u>(83,124)</u>
Net changes in fund balances	-	(8,327)	154,252	162,579
Fund balances (deficit), beginning of year	<u>(10,670)</u>	<u>(10,670)</u>	<u>(10,670)</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ (10,670)</u>	<u>\$ (18,997)</u>	<u>\$ 143,582</u>	<u>\$ 162,579</u>

**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, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Hotel/Motel taxes	\$ 75,000	\$ 117,000	\$ 117,111	\$ 111
Interest	600	600	409	(191)
Total revenues	<u>75,600</u>	<u>117,600</u>	<u>117,520</u>	<u>(80)</u>
Expenditures:				
Current:				
Housing and development	75,000	117,000	117,035	(35)
Total expenditures	<u>75,000</u>	<u>117,000</u>	<u>117,035</u>	<u>(35)</u>
Excess of revenues over expenditures	<u>600</u>	<u>600</u>	<u>485</u>	<u>(115)</u>
Other financing uses:				
Transfers out	(600)	(600)	-	600
Total other financing uses	<u>(600)</u>	<u>(600)</u>	<u>-</u>	<u>600</u>
Net changes in fund balances	-	-	485	485
Fund balances, beginning of year	<u>1,319</u>	<u>1,319</u>	<u>1,319</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,319</u>	<u>\$ 1,319</u>	<u>\$ 1,804</u>	<u>\$ 485</u>

**LUMPKIN COUNTY, GEORGIA
PLANNING FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 413,111	\$ 413,111	\$ 175,458	\$ (237,653)
Charges for services	50,000	50,000	17,274	(32,726)
Total revenues	<u>463,111</u>	<u>463,111</u>	<u>192,732</u>	<u>(270,379)</u>
Expenditures:				
Current:				
Housing and development	463,111	463,111	405,812	57,299
Total expenditures	<u>463,111</u>	<u>463,111</u>	<u>405,812</u>	<u>57,299</u>
Net changes in fund balances	-	-	(213,080)	(213,080)
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (213,080)</u>	<u>\$ (213,080)</u>

**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, 2008**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 943,428	\$ 943,428	\$ 977,808	\$ 34,380
Investment income	104,000	104,000	463,379	359,379
Total revenues	<u>1,047,428</u>	<u>1,047,428</u>	<u>1,441,187</u>	<u>393,759</u>
Expenditures:				
Debt service:				
Principal	1,022,625	1,022,625	1,022,625	-
Interest	717,504	717,504	717,503	1
Total expenditures	<u>1,740,129</u>	<u>1,740,129</u>	<u>1,740,128</u>	<u>1</u>
Net change in fund balances	(692,701)	(692,701)	(298,941)	393,760
Fund balances, beginning of year	<u>11,783,396</u>	<u>11,783,396</u>	<u>11,783,396</u>	<u>-</u>
Fund balances, end of year	<u>\$ 11,090,695</u>	<u>\$ 11,090,695</u>	<u>\$ 11,484,455</u>	<u>\$ 393,760</u>

LUMPKIN COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

<u>Project</u>	<u>Estimated Cost</u>		<u>Expenditures</u>		<u>Total</u>
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	
1999 SPLOST					
Roads, streets and bridges	\$ 5,000,000	\$ 5,421,494	\$ 5,421,494	\$ -	\$ 5,421,494
Construct and equip three fire stations and detention center	5,000,000	8,383,859	6,002,092	-	6,002,092
Total 1999 SPLOST	<u>\$ 10,000,000</u>	<u>\$ 13,805,353</u>	<u>\$ 11,423,586</u>	<u>\$ -</u>	<u>\$ 11,423,586</u>
2003 SPLOST					
Debt service - Public Building Authority	<u>\$ 15,750,000</u>	<u>\$ 15,750,000</u>	<u>\$ 7,569,936</u>	<u>\$ 1,534,966</u>	<u>\$ 9,104,902</u>
2008 SPLOST					
Judicial Facilities	\$ 14,000,000	\$ 14,000,000	\$ 93,348	\$ 497,899	\$ 591,247
Water & Sewer Infrastructure Expansion	4,000,000	4,000,000	-	-	-
Library Facilities	4,000,000	4,000,000	-	322,784	322,784
Roads & Bridges	3,000,000	3,000,000	-	-	-
Administrative Facilities	1,000,000	1,000,000	-	-	-
Public Safety Vehicles	1,376,000	1,376,000	-	-	-
Park & Recreation Facilities	1,000,000	1,000,000	985,575	-	985,575
Industrial Development Property	1,000,000	1,000,000	-	-	-
Fire Protection Facilities	600,000	600,000	-	-	-
Public Warning System	250,000	250,000	-	-	-
Public Works Equipment	250,000	250,000	-	-	-
E911 Equipment	240,000	240,000	-	-	-
City of Dahlonega Water Treatment Facilities	4,284,000	4,284,000	-	422,890	422,890
Total 2008 SPLOST	<u>\$ 35,000,000</u>	<u>\$ 35,000,000</u>	<u>\$ 1,078,923</u>	<u>\$ 1,243,573</u>	<u>\$ 2,322,496</u>

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, 2008**

<u>ASSETS</u>	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total
Cash	\$ 5,467,987	\$ 7,903	\$ 160,079	\$ 4,901	\$ 794	\$ 5,641,664
Taxes receivable	3,678,843	-	-	-	-	3,678,843
Accounts receivable	-	11,368	-	-	-	11,368
Total assets	<u>\$ 9,146,830</u>	<u>\$ 19,271</u>	<u>\$ 160,079</u>	<u>\$ 4,901</u>	<u>\$ 794</u>	<u>\$ 9,331,875</u>
<u>LIABILITIES</u>						
Due to others	\$ 5,467,987	\$ 19,271	\$ 160,079	\$ 4,901	\$ 794	\$ 5,653,032
Uncollected taxes	3,678,843	-	-	-	-	3,678,843
Total liabilities	<u>\$ 9,146,830</u>	<u>\$ 19,271</u>	<u>\$ 160,079</u>	<u>\$ 4,901</u>	<u>\$ 794</u>	<u>\$ 9,331,875</u>

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2008

	Balance January 1, 2008	Increases	Decreases	Balance December 31, 2008
<u>Tax Commissioner</u>				
ASSETS				
Cash	\$ 3,122,924	\$ 19,573,480	\$ (17,228,417)	\$ 5,467,987
Taxes receivable	9,247,564	3,678,843	(9,247,564)	3,678,843
Total assets	<u>\$ 12,370,488</u>	<u>\$ 23,252,323</u>	<u>\$ (26,475,981)</u>	<u>\$ 9,146,830</u>
LIABILITIES				
Due to others	\$ 3,122,924	\$ 19,573,480	\$ (17,228,417)	\$ 5,467,987
Uncollected taxes	9,247,564	3,678,843	(9,247,564)	3,678,843
Total liabilities	<u>\$ 12,370,488</u>	<u>\$ 23,252,323</u>	<u>\$ (26,475,981)</u>	<u>\$ 9,146,830</u>
<u>Sheriff</u>				
ASSETS				
Cash	\$ 12,079	\$ 99,523	\$ (103,699)	\$ 7,903
Accounts receivable	9,718	11,368	(9,718)	11,368
Total assets	<u>\$ 21,797</u>	<u>\$ 110,891</u>	<u>\$ (113,417)</u>	<u>\$ 19,271</u>
LIABILITIES				
Due to others	\$ 21,797	\$ 110,891	\$ (113,417)	\$ 19,271
Total liabilities	<u>\$ 21,797</u>	<u>\$ 110,891</u>	<u>\$ (113,417)</u>	<u>\$ 19,271</u>
<u>Clerk of Courts</u>				
ASSETS				
Cash	\$ 167,319	\$ 1,628,441	\$ (1,635,681)	\$ 160,079
Total assets	<u>\$ 167,319</u>	<u>\$ 1,628,441</u>	<u>\$ (1,635,681)</u>	<u>\$ 160,079</u>
LIABILITIES				
Due to others	\$ 167,319	\$ 1,628,441	\$ (1,635,681)	\$ 160,079
Total liabilities	<u>\$ 167,319</u>	<u>\$ 1,628,441</u>	<u>\$ (1,635,681)</u>	<u>\$ 160,079</u>

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2008

	Balance January 1, 2008	Increases	Decreases	Balance December 31, 2008
<u>Probate Court</u>				
ASSETS				
Cash	\$ 4,975	\$ 296,595	\$ (296,669)	\$ 4,901
Total assets	\$ 4,975	\$ 296,595	\$ (296,669)	\$ 4,901
LIABILITIES				
Due to others	\$ 4,975	\$ 296,595	\$ (296,669)	\$ 4,901
Total liabilities	\$ 4,975	\$ 296,595	\$ (296,669)	\$ 4,901
<u>Magistrate Court</u>				
ASSETS				
Cash	\$ 1,403	\$ 37,993	\$ (38,602)	\$ 794
Total assets	\$ 1,403	\$ 37,993	\$ (38,602)	\$ 794
LIABILITIES				
Due to others	\$ 1,403	\$ 37,993	\$ (38,602)	\$ 794
Total liabilities	\$ 1,403	\$ 37,993	\$ (38,602)	\$ 794
<u>Total Agency Funds</u>				
ASSETS				
Cash	\$ 3,308,700	\$ 21,636,032	\$ (19,303,068)	\$ 5,641,664
Taxes receivable	9,247,564	3,678,843	(9,247,564)	3,678,843
Accounts receivable	9,718	11,368	(9,718)	11,368
Total assets	\$ 12,565,982	\$ 25,326,243	\$ (28,560,350)	\$ 9,331,875
LIABILITIES				
Due to others	\$ 3,318,418	\$ 21,647,400	\$ (19,312,786)	\$ 5,653,032
Uncollected taxes	9,247,564	3,678,843	(9,247,564)	3,678,843
Total liabilities	\$ 12,565,982	\$ 25,326,243	\$ (28,560,350)	\$ 9,331,875

COMPONENT UNIT – HOSPITAL AUTHORITY

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CASH FLOWS COMPONENT UNIT - HOSPITAL AUTHORITY FOR THE YEAR ENDED DECEMBER 31, 2008

	Hospital Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	\$ (57,618)
Net cash used in operating activities	<u>(57,618)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>61,523</u>
Net cash provided by investing activities	<u>61,523</u>
Net increase in cash and cash equivalents	3,905
Cash and cash equivalents:	
Beginning of year	<u>119,941</u>
End of year	<u><u>\$ 123,846</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	<u>\$ (57,618)</u>
Net cash used in operating activities	<u><u>\$ (57,618)</u></u>
NON-CASH INVESTING ACTIVITIES	
Unrealized gain on investments	<u><u>\$ 9,175</u></u>

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.

Financial Trends	<u>Page</u> 76-81
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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.....	82-85
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These schedules contain information to help the reader assess the government’s most significant local revenue source, property tax.

Debt Capacity.....	86-88
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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	89 and 90
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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.....	91-93
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These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The government implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

LUMPKIN COUNTY, GEORGIA

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

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

LUMPKIN COUNTY, GEORGIA

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

	2008	2007	2006	2005	2004	2003
Expenses						
Governmental activities:						
General government	\$ 3,437	\$ 2,742	\$ 2,589	\$ 2,276	\$ 2,297	\$ 1,921
Judicial system	2,476	2,409	2,097	2,139	1,789	1,679
Public safety	9,260	7,845	7,326	6,680	6,268	5,764
Public works	1,182	2,489	2,275	2,096	2,125	1,741
Health and welfare	1,045	556	451	480	463	401
Culture and recreation	1,450	1,413	1,343	1,225	1,243	1,106
Housing and development	705	629	923	481	521	550
Interest on long-term debt	1,064	819	883	730	791	803
Total governmental activities expenses	20,619	18,902	17,887	16,107	15,497	13,965
Business-type activities:						
Solid Waste	133	143	93	130	511	514
Total business-type activities expenses	133	143	93	130	511	514
Total primary government expenses	\$ 20,752	\$ 19,045	\$ 17,980	\$ 16,237	\$ 16,008	\$ 14,479
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 1,278	\$ 1,242	\$ 869	\$ 691	\$ 514	\$ 660
Judicial system	726	603	764	536	(670)	930
Public safety	1,172	1,660	1,601	2,165	1,611	1,238
Public works	1	4	9	5	9	22
Health and welfare	20	27	15	14	12	11
Culture and recreation	318	283	366	278	306	254
Housing and development	240	59	580	521	395	299
Operating grants and contributions	1,541	885	738	1,001	438	506
Capital grants and contributions	194	1,800	2,451	1,768	1,337	400
Total governmental activities program revenues	5,490	6,563	7,393	6,979	3,952	4,320
Business-type activities:						
Charges for services:						
Solid waste	61	43	33	15	290	423
Operating grants and contributions	-	-	-	-	50	127
Capital grants and contributions	-	-	-	150	77	-
Total business-type activities program revenues	61	43	33	165	417	550
Total primary government program revenues	\$ 5,551	\$ 6,606	\$ 7,426	\$ 7,144	\$ 4,369	\$ 4,870
Net (expense)/revenue						
Governmental activities	\$ (15,129)	\$ (12,339)	\$ (10,494)	\$ (9,128)	\$ (11,545)	\$ (9,645)
Business-type activities	(72)	(100)	(60)	35	(94)	36
Total primary government net expense	\$ (15,201)	\$ (12,439)	\$ (10,554)	\$ (9,093)	\$ (11,639)	\$ (9,609)

(continued)

LUMPKIN COUNTY, GEORGIA

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

	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes	\$ 9,708	\$ 7,976	\$ 7,251	\$ 6,005	\$ 5,859	\$ 5,726
Sales taxes	5,777	6,276	6,105	5,127	5,060	4,578
Insurance premium taxes	864	844	802	765	717	662
Other taxes	223	204	691	570	574	545
Unrestricted investment earnings	732	749	569	378	241	250
Unrestricted grants and contributions	-	-	331	292	284	272
Gain on sale of capital assets	30	-	32	-	42	(89)
Transfers	(57)	(54)	27	(364)	(102)	52
Total governmental activities	<u>17,277</u>	<u>15,995</u>	<u>15,808</u>	<u>12,773</u>	<u>12,675</u>	<u>11,996</u>
Business-type activities:						
Unrestricted investment earnings	-	-	-	-	-	-
Unrestricted grants and contributions	-	-	-	27	-	-
Gain on sale of capital assets	-	-	-	-	14	-
Transfers	57	54	(27)	364	102	(52)
Total business-type activities	<u>57</u>	<u>54</u>	<u>(27)</u>	<u>391</u>	<u>116</u>	<u>(52)</u>
Total primary government	<u>\$ 17,334</u>	<u>\$ 16,049</u>	<u>\$ 15,781</u>	<u>\$ 13,164</u>	<u>\$ 12,791</u>	<u>\$ 11,944</u>
Change in Net Assets						
Governmental activities	\$ 2,148	\$ 3,656	\$ 5,314	\$ 3,645	\$ 1,130	\$ 2,351
Business-type activities	(15)	(46)	(87)	426	22	(16)
Total primary government	<u>\$ 2,133</u>	<u>\$ 3,610</u>	<u>\$ 5,227</u>	<u>\$ 4,071</u>	<u>\$ 1,152</u>	<u>\$ 2,335</u>

LUMPKIN COUNTY, GEORGIA

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

	2008	2007	2006	2005
General fund				
Reserved	\$ 329	\$ 463	\$ 493	\$ 433
Unreserved	3,550	3,796	4,834	3,549
Total general fund	\$ 3,879	\$ 4,259	\$ 5,327	\$ 3,982
All other governmental funds				
Reserved	\$ 11,529	\$ 11,830	\$ 9,320	\$ 7,006
Unreserved, reported in:				
Special revenue funds	351	468	454	369
Capital projects funds (1)	8,420	(1,107)	122	405
Total all other governmental funds	\$ 20,300	\$ 11,191	\$ 9,896	\$ 7,780

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

Data for 1999 is not available.

2004	2003	2002	2001	2000
\$ 296	\$ 303	\$ 249	\$ 113	\$ -
4,431	4,407	4,403	3,433	(4,433)
<u>\$ 4,727</u>	<u>\$ 4,710</u>	<u>\$ 4,652</u>	<u>\$ 3,546</u>	<u>\$ (4,433)</u>
\$ 5,451	\$ 3,528	\$ 7	\$ 2,760	\$ 6
271	232	239	250	28
397	774	3,692	2,067	749
<u>\$ 6,119</u>	<u>\$ 4,534</u>	<u>\$ 3,938</u>	<u>\$ 5,077</u>	<u>\$ -</u>
				<u>\$ 783</u>

LUMPKIN COUNTY, GEORGIA

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

	2008	2007	2006	2005
Revenues				
Taxes	\$ 15,908	\$ 15,773	\$ 14,928	\$ 12,516
Licenses and permits	215	345	475	431
Fines and forfeitures	616	513	660	500
Charges for services	2,753	2,797	3,206	3,147
Interest income	732	749	569	378
Intergovernmental	1,461	1,136	1,558	1,295
Contributions and donations	229	129	229	100
Miscellaneous	171	224	61	9
Total revenues	22,085	21,666	21,686	18,376
Expenditures				
General government	3,232	2,546	2,325	2,162
Judicial	2,470	2,400	1,823	1,864
Public safety	8,229	7,504	6,912	6,285
Public works	1,331	1,285	1,017	1,148
Health and welfare	641	534	435	459
Culture and recreation	1,309	1,297	1,228	1,123
Housing and development	696	608	906	462
Intergovernmental	-	-	48	79
Capital outlay (1)	2,672	3,578	1,957	1,915
Debt service				
Principal	1,378	1,021	901	863
Interest	1,022	860	999	752
Other charges	270	-	-	-
Total expenditures	23,250	21,633	18,551	17,112
Excess (deficiency) of revenues over (under) expenditures	(1,165)	33	3,135	1,264
Other financing sources (uses)				
Transfers in	1,326	2,812	1,586	1,985
Transfers out	(1,383)	(2,867)	(1,559)	(2,349)
Issuance of debt	10,000	90	254	16
Discount on issuance of debt	(99)	-	-	-
Sale of capital assets	49	-	45	-
Total other financing sources (uses)	9,893	35	326	(348)
Net change in fund balances	\$ 8,728	\$ 68	\$ 3,461	\$ 916
Debt service as a percentage of noncapital expenditures	13.1%	10.4%	11.4%	10.6%
Total debt service expenditures	2,670	1,881	1,900	1,615
Total non-capital expenditures	20,399	18,055	16,594	15,197

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

	2004	2003	2002	2001	2000	1999
\$	12,108	\$ 11,526	\$ 11,288	\$ 10,664	\$ 10,038	\$ 8,009
	320	252	219	192	185	191
	710	649	701	747	646	714
	2,860	2,482	1,816	1,765	1,316	2,216
	241	250	362	427	198	115
	1,450	988	1,728	989	3,152	905
	46	26	66	15	19	-
	3	48	38	65	6	-
	<u>17,738</u>	<u>16,221</u>	<u>16,218</u>	<u>14,864</u>	<u>15,560</u>	<u>12,150</u>
	1,894	1,797	1,822	1,640	1,900	2,137
	1,779	1,668	1,342	1,127	1,103	866
	5,918	5,399	5,048	4,283	4,002	3,887
	1,268	889	902	779	3,877	1,154
	441	382	363	373	420	189
	1,158	1,032	991	1,102	2,847	1,085
	499	528	581	453	415	-
	-	-	-	-	-	-
	2,177	2,517	4,097	7,326	6,453	7,903
	382	939	2,247	3,253	832	45
	797	821	896	588	394	201
	-	-	-	173	-	-
	<u>16,313</u>	<u>15,972</u>	<u>18,289</u>	<u>21,097</u>	<u>22,243</u>	<u>17,467</u>
	1,425	249	(2,071)	(6,233)	(6,683)	(5,317)
	1,567	5,008	356	1,524	1,546	981
	(1,669)	(4,956)	(393)	(1,749)	(1,170)	(1,570)
	238	325	2,009	18,703	1,282	3,952
	-	-	-	-	-	-
	41	29	65	28	216	167
	<u>177</u>	<u>406</u>	<u>2,037</u>	<u>18,506</u>	<u>1,874</u>	<u>3,530</u>
\$	<u>1,602</u>	<u>\$ 655</u>	<u>\$ (34)</u>	<u>\$ 12,273</u>	<u>\$ (4,809)</u>	<u>\$ (1,787)</u>
	8.3%	13.1%	22.1%	29.1%	7.8%	2.6%
	1,179	1,760	3,143	4,014	1,226	246
	14,136	13,455	14,192	13,771	15,790	9,564

LUMPKIN COUNTY, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE LAST NINE FISCAL YEARS (modified accrual basis of accounting) (amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Insurance Premium Tax	Real Estate & Recording Tax	Alcoholic Beverage Tax	Other Taxes	Total
2000	\$ 4,471	\$ 4,753	\$ 448	\$ 158	\$ -	\$ 208	\$ 10,038
2001	5,329	4,364	560	245	-	166	10,664
2002	5,709	4,484	618	318	4	155	11,288
2003	5,681	4,578	662	356	87	162	11,526
2004	5,757	5,060	717	326	95	153	12,108
2005	6,054	5,127	765	323	113	134	12,516
2006	7,330	6,105	802	365	152	174	14,928
2007	8,449	6,276	844	-	162	43	15,773
2008	9,044	5,777	864	-	165	58	15,908

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

Information for 1999 is not available.

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)
2000	1999	\$ 144,967,533	\$ 44,445,004	\$ 161,939,968	\$ 14,816,265	\$ 35,907,690	\$ 13,751,616	\$ 46,884,766	\$ 614,440
2001	2000	163,998,318	47,145,111	168,281,848	14,767,237	44,647,326	14,925,415	47,626,618	406,962
2002	2001	184,407,416	52,311,066	171,451,684	14,169,659	52,472,220	16,165,149	49,131,529	668,864
2003	2002	(2) 322,215,146	86,423,689	340,720,539	18,162,514	58,968,290	16,669,213	49,198,398	528,600
2004	2003	350,210,951	90,440,227	340,521,525	18,168,976	60,684,780	17,771,901	41,873,900	364,564
2005	2004	380,502,691	91,404,475	341,344,010	19,223,476	58,705,170	15,148,984	41,696,433	267,607
2006	2005	421,998,678	110,055,207	341,215,830	20,006,951	60,957,260	14,576,647	43,822,195	703,204
2007	2006	474,080,110	120,224,834	337,166,386	21,026,349	59,890,060	11,341,763	44,433,206	268,079
2008	2007	(2) 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

Source: Georgia Department of Revenue, Property Tax Division

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

(1) Includes timber and heavy equipment.

(2) There was a property revaluation in 2002 and 2007 that substantially increased real property values.

Less: Exemptions		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
Real	Personal				
\$ 41,308,155	\$ 12,222,396	\$ 409,796,731	9.750	\$ 1,024,491,828	40.00%
35,184,915	9,005,373	457,608,547	11.590	1,144,021,368	40.00%
44,120,090	11,418,272	485,239,225	11.995	1,213,098,063	40.00%
108,111,559	9,985,715	774,789,115	7.483	1,936,972,788	40.00%
119,884,220	4,129,275	796,023,329	7.308	1,990,058,323	40.00%
125,057,626	4,975,697	818,259,523	7.277	2,045,648,808	40.00%
130,276,501	5,080,217	877,979,254	8.052	2,194,948,135	40.00%
135,628,116	4,824,375	927,978,296	8.346	2,319,945,740	40.00%
250,849,126	5,350,388	1,211,055,176	6.912	3,027,637,940	40.00%
263,318,330	6,240,595	1,272,586,729	6.893	3,181,466,823	40.00%

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

Tax Year	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Lumpkin County rates										
Unincorporated	6.893	6.912	8.346	8.052	7.277	7.308	7.483	11.995	11.590	9.750
Incorporated	7.707	7.724	9.385	9.068	8.275	8.275	8.360	13.150	12.740	11.020
Special services (reservoir)	0.178	0.187	0.226	0.411	-	-	-	-	-	-
Municipal rates										
Dahlonega	3.950	3.959	4.370	3.620	2.867	2.900	2.931	3.883	3.986	4.000
Board of Education										
Maintenance & Operations	11.840	11.860	14.190	14.190	14.250	13.250	13.250	16.750	16.000	16.000
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Total Unincorporated	19.161	19.209	23.012	22.492	21.777	20.808	20.983	28.995	27.840	26.000
Total Incorporated	23.747	23.793	28.195	27.128	25.642	24.675	24.791	34.033	32.976	31.270

Source: Georgia Department of Revenue, Property Tax Division

LUMPKIN COUNTY, GEORGIA

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>2008</u>			<u>1999</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Montalvina LLC	\$ 13,167,288	1	1.03 %	\$		%
Forestar (USA) Real Estate Group Inc	13,032,029	2	1.02			
Timken	9,554,125	3	0.75	1,939,551	7	0.47
Southern Cross Ranch LLC	8,850,636	4	0.70			
Cottrell Family Partnership LP	6,784,503	5	0.53			
Windstream Standard Inc	6,208,766	6	0.49	6,047,754	1	1.48
Noblin Enda A Estate	6,199,048	7	0.49	1,629,358	9	0.40
Dunn Betty L Trustee	6,086,405	8	0.48	-		
Georgia Power Company	5,385,639	9	0.42	1,865,591	8	0.46
HD Development of Maryland Inc	4,848,731	10	0.38			
Inland Container Corp				5,196,529	2	1.27
Wal-Mart Stores				4,721,670	3	1.15
Sherman Green				3,155,351	4	0.77
Amicalola EMC				2,512,459	5	0.61
R Ranch in the Mtn				2,242,309	6	0.55
Turner Clinton				1,186,945	10	0.29
	<u>\$ 80,117,170</u>		<u>6.30 %</u>	<u>\$ 30,497,517</u>		<u>7.44 %</u>

Source: Lumpkin County Tax Commissioner

LUMPKIN COUNTY, GEORGIA

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

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Total Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
			<u>Amount</u>	<u>Pct. of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2000	1999	\$ 4,134	\$ 817	19.76 %	\$ 3,317	\$ 4,134	100.00 %
2001	2000	5,221	899	17.22	4,320	5,219	99.96
2002	2001	5,613	4,390	78.21	1,220	5,610	99.95
2003	2002	6,048	1,696	28.04	4,345	6,041	99.88
2004	2003	5,811	4,718	81.19	1,086	5,804	99.88
2005	2004	6,149	4,976	80.92	1,165	6,141	99.87
2006	2005	7,270	5,988	82.37	1,259	7,247	99.68
2007	2006	7,762	6,615	85.22	1,072	7,687	99.03
2008	2007	7,722	2,719	35.21	4,493	7,212	93.40
2009	2008	8,148	6,268	76.93	-	6,268	76.93

LUMPKIN COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST NINE FISCAL YEARS

(amounts expressed in thousands)

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Capital Leases	Certificates of Participation	Notes Payable			
2000	\$ 144	\$ -	\$ 4,807	\$ 4,951	1.07 %	\$ 236
2001	116	-	20,285	20,401	4.18	928
2002	293	-	20,158	20,451	4.04	902
2003	238	-	19,599	19,837	3.89	847
2004	172	-	19,522	19,694	3.65	849
2005	93	-	18,743	18,836	3.11	774
2006	32	-	18,157	18,189	2.68	714
2007	-	-	17,357	17,357	2.55	654
2008	-	9,630	16,254	25,884	3.56	957

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.

Information for 1999 is not available.

LUMPKIN COUNTY, GEORGIA

RATIOS OF GENERAL OBLIGATION DEBT OUTSTANDING LAST EIGHT 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)
2001	\$ 15,750	\$ 2,753	\$ 12,997	1.07 %	\$ 591
2002	13,635	-	13,635	0.70	602
2003	12,770	3,528	9,242	0.46	395
2004	12,455	5,451	7,004	0.34	302
2005	11,660	7,006	4,654	0.21	191
2006	10,820	9,320	1,500	0.06	59
2007	9,920	9,920	-	-	-
2008	8,965	8,965	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Information for 1999 is not available; there was not general obligation debt outstanding in 2000.

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

LUMPKIN COUNTY, GEORGIA

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Debt limit	\$ 153,591	\$ 146,190	\$ 106,361	\$ 100,826
Total net debt applicable to limit	-	-	1,500	4,654
Legal debt margin	<u>\$ 153,591</u>	<u>\$ 146,190</u>	<u>\$ 104,861</u>	<u>\$ 96,172</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	1%	5%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	\$ 1,272,587
Add back: exempt real property	263,318
Total assessed value	<u>1,535,905</u>
Debt limit (10% of total assessed value)	153,591
Debt applicable to limit:	
General obligation debt	8,965
Less: Amount set aside for repayment of general obligation debt	<u>(8,965)</u>
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 153,591</u>

Note: Information for 1999 is not available.

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 94,332	\$ 91,591	\$ 88,290	\$ 52,936	\$ 49,279
<u>7,004</u>	<u>9,242</u>	<u>13,635</u>	<u>12,997</u>	<u>-</u>
<u>\$ 87,328</u>	<u>\$ 82,349</u>	<u>\$ 74,655</u>	<u>\$ 39,939</u>	<u>\$ 49,279</u>
7%	10%	15%	25%	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)
1999	20,547	\$ 426,001	\$ 20,733	N/A	3,191	2.2 %
2000	21,016	460,986	21,935	32.5	3,163	1.8
2001	21,976	487,603	22,188	N/A	3,232	2.3
2002	22,665	506,699	22,356	N/A	3,413	2.9
2003	23,412	510,499	21,805	N/A	3,497	2.5
2004	23,185	540,164	23,298	N/A	3,520	3.5
2005	24,324	606,370	24,929	N/A	3,675	4.5
2006	25,462	679,170	26,674	N/A	3,721	4.1
2007	26,554	679,543	25,591	N/A	3,344	4.2
2008	27,056	727,084	26,873	32.5	3,732	11.1

Data sources:

- (1) Bureau of the Census
- (2) Federal Bureau of Economic Analysis (amounts expressed in thousands); most current data available is 2006
- (3) School District
- (4) State Department of Labor

LUMPKIN COUNTY, GEORGIA

PRINCIPAL EMPLOYERS TWO YEARS AGO (as of December 31)

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

Sources: State Department of Commerce.
Information for the current year and prior to 2006 is not available.

LUMPKIN COUNTY, GEORGIA

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

Function	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General government	45	57	60	55	49
Public safety				95	90
Sheriff					
Officers	72	68	65	-	-
Civilians	8	8	8	-	-
Emergency	2	-	2	-	-
Fire					
Firefighters and officers	26	22	2	-	-
Civilians	11	14	19	-	-
Judicial	20	20	18	19	20
Public works	22	22	15	18	22
Culture and recreation	11	17	19	13	13
Housing and development	1	1	1	1	1
Total	<u>218</u>	<u>229</u>	<u>209</u>	<u>201</u>	<u>195</u>

Source: County Budget Office

Information for 1999 - 2003 is not available.

LUMPKIN COUNTY, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST NINE FISCAL YEARS

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Function									
Sheriff									
Traffic violations	N/A	2,992	2,111	2,169	2,245	2,175	2,991	2,603	2,961
Fire									
Number of calls answered	3,426	3,344	3,141	1,893	1,645	1,488	1,153	1,073	989
Inspections conducted	637	1,004 (1)	369	215	96	67	41	35	24
Highways and streets									
Street resurfacing (miles)	6	11	23	5	36	13	33	15	94
Sanitation									
Refuse collected (tons/day)	45	33	34	26	22	N/A	N/A	N/A	N/A
Recyclables collected (tons/day)	2	1	1	-	N/A	N/A	N/A	N/A	N/A

Source: County departments

Note: Indicators are not available prior to 2000, and are not available for any functions other than those listed above.

N/A - Information is not available.

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

LUMPKIN COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST NINE FISCAL YEARS

Function	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General government									
Buildings	13	13	13	11	11	11	9	7	6
Vehicles	5	5	5	4	3	3	3	2	2
Small equipment	25	24	20	21	21	19	17	15	13
Public safety									
Buildings	7	6	5	5	5	5	5	5	4
Vehicles									
Fire/pumper trucks	13	13	13	13	12	10	10	8	8
Other Fire Dept. vehicles	6	5	5	4	3	3	3	3	2
Ambulance/rescue	5	5	4	6	6	6	5	5	5
Sheriffs vehicles	46	39	35	32	25	20	13	12	10
Other public safety vehicles	3	3	3	2	2	1	1	1	1
Equipment	69	49	41	40	38	32	31	28	27
Judicial									
Small equipment	6	6	6	15	15	15	13	13	13
Public works									
Buildings	3	3	3	2	2	2	2	2	2
Vehicles									
Road Department	11	15	20	24	24	24	24	24	24
Building Inspector	6	6	6	5	5	5	3	3	3
Other	3	3	2	2	1	1	1	1	-
Small equipment	5	1	1	-	-	-	-	-	-
Heavy equipment	35	35	35	30	29	28	26	26	24
Health and welfare									
Buildings	2	2	2	2	2	2	2	1	1
Culture and recreation									
Buildings	5	5	5	5	5	5	5	5	5
Vehicles	5	5	5	4	4	4	2	2	2
Equipment	11	10	10	10	8	7	7	6	6

Source: Various County departments

Note: Capital asset indicators are not available prior to 2000.

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Board of Commissioners
of Lumpkin County, Georgia
Dahlonega, Georgia**

We have audited the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lumpkin County, Georgia (the "County") as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 21, 2009. We did not audit the financial statements of the Lumpkin County Department of Public Health. Those financial statements were audited by other auditors whose reports have been furnished to us. 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. 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.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses, as items 2008-1 through 2008-5, to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2008-1 through 2008-4 to be material weaknesses.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County in a separate letter dated May 21, 2009.

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 21, 2009

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2008

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes no

Significant deficiencies identified not considered
to be material weaknesses?

yes no

Noncompliance material to financial statements noted?

yes no

Federal Awards

There was not an audit of major federal award programs as of December 31, 2008 due to the total amount expended being less than \$500,000.

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2008

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2008-1. Expenditures/Expenses and Related Liabilities

Criteria: Generally, expenditures/expenses should be recognized as soon as a liability is incurred, regardless of the timing of the related cash flows.

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

Context/Cause: During our testing of expenditures/expenses, certain audit adjustments were required to correct current year amounts. The nature of these adjustments are as follows:

- Accounts payable and the related expenditures required an adjustment of approximately \$44,000 in the General fund. This adjustment was needed to reduce the liability for expenditures that were accrued but that had not yet been incurred at December 31, 2008.
- Accounts payable and the related expenditures required an adjustment of approximately \$42,500 in the Capital Projects fund. This adjustment was needed to record debt service expenditures that were paid during the year but were improperly recorded as a reduction of accrued liabilities at December 31, 2008.
- The liability for landfill postclosure costs in the Solid Waste Fund required adjustments of nearly \$4,100 to correctly report the balance as of December 31, 2008.
- Accounts payable and the related expenditures required an adjustment of approximately \$92,900 in the SPLOST fund. This adjustment was needed to record passthrough expenditures owed to the City of Dahlonega for SPLOST revenues receivable at December 31, 2008.

Effects: Audit adjustments totaling approximately \$183,500 were needed to correctly report expenditures/expenses and the related liabilities.

Recommendation: We recommend the County carefully review all expenditures/expenses and related liabilities to ensure all necessary transactions are reported in the proper period and in the proper fund.

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

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2008

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2008-2. Receivables and Revenues

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

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

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

- Revenues, receivables, and deferred revenue in the General Fund required adjustments totaling approximately \$196,000 to correctly report balances relating to property taxes received and receivable.
- An adjustment in the amount of \$22,000 was required to correctly report revenue and deferred revenue relating to grant activity in the General Fund.
- An adjustment in the amount of \$9,200 was required to recognize an unrealized gain on investments held by the Hospital Authority.

Effects: Audit adjustments totaling approximately \$227,200 were needed to correctly report revenues and receivables.

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

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

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2008

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2008-3. Long-Term Debt

Criteria: Governmental funds generally should not recognize long-term debt at the fund level of reporting.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the County's fund level liabilities.

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

- Adjustments totaling \$138,600 were required to remove long-term debt and related balances from the Capital Projects fund. Adjustments in the same amount were required to remove related balances from the General fund.
- An adjustment of nearly \$297,000 was required to expense costs of issuance which were improperly recorded in the SPLOST fund.

Effects: Audit adjustments totaling approximately \$574,200 were needed to correctly report activity related to long-term debt.

Recommendation: We recommend the County carefully review all long-term liabilities to ensure that they are reported in governmental funds in accordance with generally accepted accounting principles and the modified accrual basis of accounting.

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

2008-4. Grant Activity

Criteria: Internal controls should be in place to ensure that grant activity is reported in the proper funds.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the County's grant activity.

Context/Cause: During our testing, an audit adjustment of approximately \$109,800 was required in the General Fund and Multiple Grant Fund to properly record grant activity. The adjustment was necessary to correct grant receipts and disbursements that were posted to the General Fund instead of the Multiple Grant Fund.

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2008

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2008-4. Grant Activity (Continued)

Effects: Audit adjustments totaling approximately \$219,600 were needed to correctly report grant activity.

Recommendation: We recommend the County carefully review all grant activity to ensure all balances are recorded in the proper funds in a timely manner. In order to avoid future errors in the recording of grant activity, we recommend the County consider creating a separate cash account in the Multiple Grant Fund.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that grant activity is properly recorded.

2008-5. Segregation of Duties

Criteria: Internal controls should be in place, which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties does not exist among custody, receipting, recording, distribution, reconciliation of cash accounts and other operational functions in the offices of the Probate Court, Magistrate Court, and Sheriff's Office.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effects or possible effects: Failure to properly segregate duties among custody, recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

Cause: The failure in segregation of duties is mostly due to the limited number of individuals in each office to perform all of the duties.

Recommendation: We recommend the County segregate duties relative to the custody, receipting, recording, distribution, and reconciliation of accounts.

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

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2008

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not Applicable

LUMPKIN COUNTY, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008

2007-10. Recording of Capital Assets Purchased with Grant Funds

Federal Program Information: CFDA No. 97.044

Assistance to Firefighters Program

U.S. Department of Homeland Security

Criteria: Internal controls should be in place to ensure that assets meeting the County's capital asset threshold and requirements are recorded in the County's capital asset records and that assets purchased with federal funds are properly identified as such.

Condition: Internal controls were not sufficient to detect omissions in the recording of capital assets purchased with grant funds, and assets purchased with federal funds are not properly identified within the capital asset records.

Status: The County has established proper internal controls to ensure all assets purchased with federal funds are properly identified as such.