

LUMPKIN COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2017

Prepared By:
The Lumpkin County Office of Financial Administration

INTRODUCTORY SECTION

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Table of Contents	i-iii
Letter of Transmittal	iv-viii
List of Officials	ix
Organizational Chart	x
FINANCIAL SECTION	
Independent Auditor's Report	1-4
Management's Discussion and Analysis	5-14
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15 and 16
Statement of Activities	17 and 18
Fund Financial Statements:	
Balance Sheet – Governmental Funds	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position – Proprietary Fund	22
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund	23
Statement of Cash Flows – Proprietary Fund	24
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	25
Notes to Financial Statements	26-63
Required Supplementary Information:	
General Fund – Budgetary Comparison Schedule – GAAP Basis	64 and 65
Schedule of Changes in the County's Net Pension Liability and Related Ratios	66
Schedule of County Contributions	67
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	68 and 69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	70 and 71

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

FINANCIAL SECTION (Continued)	<u>Page</u>
Combining and Individual Fund Statements and Schedules (Continued):	
Drug Rehabilitation Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	72
Law Library Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	73
Emergency Telephone System Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	74
Juvenile Services Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	75
Confiscated Assets Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	76
Special Programs Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	77
Public Defender Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	78
Technology Fee Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	79
Multiple Grant Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	80
Hotel/Motel Tax Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	81
Planning Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	82
Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	83
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds	84
Combining Statement of Assets and Liabilities – Agency Funds.....	85
Statement of Changes in Assets and Liabilities – Agency Funds.....	86 and 87
Statement of Cash Flows – Component Unit – Hospital Authority.....	88

LUMPKIN COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

STATISTICAL SECTION

Financial Trends:

Net Position by Component	89
Changes in Net Position	90
Fund Balances of Governmental Funds	91 and 92
Changes in Fund Balances of Governmental Funds	93 and 94
General Governmental Tax Revenues by Source	95

Revenue Capacity:

Assessed Value and Estimated Actual Value - All Taxable Property	96 and 97
Direct and Overlapping Property Tax Rates	98
Principal Property Taxpayers	99
Property Tax Levies and Collections	100

Debt Capacity:

Ratios of Outstanding Debt by Type	101
Ratios of General Obligation Debt Outstanding	102
Legal Debt Margin Information	103 and 104

Demographic and Economic Information:

Demographic and Economic Statistics	105
Principal Employers	106

Operating Information:

Full-Time Equivalent County Government Employees by Function	107
Operating Indicators by Function	108
Capital Asset Statistics by Function	109

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 <i>Government Auditing Standards</i>	110 and 111
Schedule of Findings and Responses	112 and 113

June 5, 2018

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, 2017.

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, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Lumpkin County, Georgia's financial statements for the fiscal year ended December 31, 2017, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

General Information on Lumpkin County

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

Resting in the foothills of the Appalachian Mountains, Lumpkin County is 285 square miles in area, approximately 44% of which is located within the Chattahoochee National Forest. The population of the County has grown by 29% over the past ten years with a current 2017 census population estimate of 32,873.

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

Government Structure

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

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

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

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

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

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

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

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

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

Economic Condition and Outlook

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

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

Major Initiatives & Accomplishments

During 2017, Lumpkin County was awarded four grants for personnel, renovations and equipment totaling \$866,992.

Other accomplishments during the year include:

- ❑ Resurfacing approximately 27 lane miles of County roads, using a combination of Federal, State, and local money.
- ❑ Completed construction of a fueling station for the county's fleet.
- ❑ Implemented a digital emergency radio system.
- ❑ Began construction of Fire Station 7.
- ❑ Completed ADA parking and accessibility to County Administration Building and Community Center.
- ❑ Purchased a ladder truck.
- ❑ Completed a Service Delivery Strategy agreement with the City of Dahlonega.
- ❑ Completed an update to the county's Comprehensive Plan.
- ❑ Completed a revision to the county's sign regulations.

Financial Policies

The Finance Department strives to keep current with recommendations on financial policies and procedures. The policies and procedures adopted by the Lumpkin County Board of Commissioners are published in the codification of county ordinances and distributed to all departments as needed. There was no significant impact to the current financial statements based on adopted policies or procedures.

Acknowledgements

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

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

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

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

Respectfully submitted,

Stanley J. Kelley
County Manager

C. Allison Martin
Division Director
Finance and Support Services

OFFICIALS OF LUMPKIN COUNTY, GEORGIA

COMMISSIONER'S OFFICE

Chris Dockery
David Miller
Bobby Mayfield
Rhett Stringer
Bob Pullen

Chairman
District 1
District 2
District 3
District 4

Stanley J. Kelley
Kathleen Walker

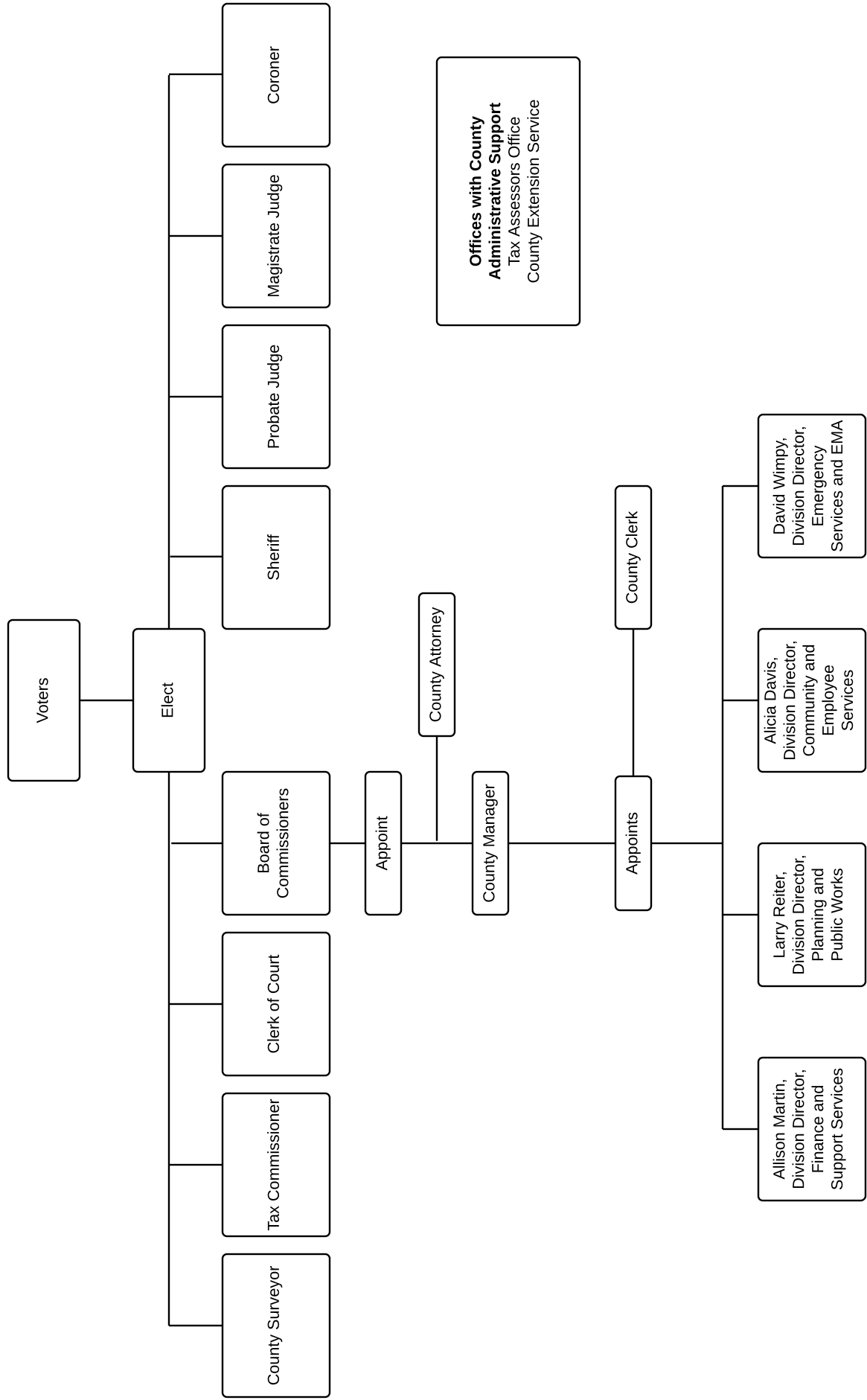
County Manager
County Clerk

DEPARTMENT DIRECTORS

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

JUDICIAL & OTHER ELECTED OFFICIALS

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



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Lumpkin County, Georgia** (the "County"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Lumpkin County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lumpkin County Department of Public Health or the Development Authority of Lumpkin County, which represents 27 percent, 17 percent, and 33 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lumpkin County Department of Public Health and the Development Authority of Lumpkin County, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lumpkin County, Georgia as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the General Fund budgetary comparison schedule, the schedule of changes in the County's net pension liability and related ratios and the schedule of County contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lumpkin County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2018, 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 solely 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 effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Atlanta, Georgia
June 5, 2018

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, 2017. 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, 2017.

Financial Highlights

- Lumpkin County's governmental activities assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2017 by \$81.2 million (*net position*). Of this amount, \$6.5 million (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of December 31, 2017, the governmental funds of Lumpkin County reported combined ending fund balances of \$12.0 million, a decrease of approximately \$0.9 million in comparison with the prior year. Approximately 47.4% of this amount, \$5.7 million, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of 2017, unassigned fund balance for the general fund was \$5.7 million, or 31.9% 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 2017, the Debt Service Fund had accumulated \$1.9 million toward the goal of retiring the 2001 issue.
- During 2017, Lumpkin County made principal and interest payments totaling \$0.6 million on the Public Building Authority Issue, Series 2001. This was the final payment to retire the debt. The original issue was for \$15.75 million. The residual funds will be used for a public purpose in Lumpkin County.

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 Position <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 Position <input type="checkbox"/> Statement of Revenues, Expenses and Changes in Net Position <input type="checkbox"/> Statement of Cash Flows	<input type="checkbox"/> Statement of Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the County’s funds do not currently contain capital assets, although they can
Type of inflow / outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All receipts and disbursements during year, regardless of when cash is received or paid

Government-wide Statements

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

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

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

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

Fund Financial Statements

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

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

The County has three kinds of funds:

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

Financial Analysis of the County as a Whole

Net position. As discussed earlier, net position may serve as a useful indicator of a government's financial position. As of December 31, 2017, the County's net position was \$81.5 million, which is an increase of approximately \$2.9 million from the prior year. Table B on the following page provides a summary of the County's Governmental and Business-type net positions for 2017 and 2016.

TABLE B

LUMPKIN COUNTY, GEORGIA'S NET POSITION
December 31, 2017 and 2016
(\$ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2017	2016	2017	2016	2017	2016
CURRENT AND OTHER ASSETS*	\$26,124	\$26,482	\$13	\$10	\$26,137	\$26,492
CAPITAL ASSETS (net of depreciation)	83,101	80,948	591	607	83,692	81,555
TOTAL ASSETS	109,225	107,430	604	617	109,829	108,047
LONG-TERM LIABILITIES	14,766	17,303	339	374	15,105	17,677
OTHER LIABILITIES*	13,221	11,824	9	2	13,230	11,826
TOTAL LIABILITIES	27,987	29,127	348	376	28,335	29,503
NET POSITION:						
NET INVESTMENT IN CAPITAL ASSETS	69,680	66,028	591	607	70,271	66,635
RESTRICTED FOR DEBT SERVICE	2,008	2,704	0	0	2,008	2,704
RESTRICTED FOR CAPITAL PROJECTS	2,317	2,512	0	0	2,317	2,512
RESTRICTED FOR PUBLIC SAFETY ACTIVITIES	154	190	0	0	154	190
RESTRICTED FOR PLANNING	297	48	0	0	297	48
RESTRICTED FOR LAW LIBRARY OPERATIONS	65	62	0	0	65	62
RESTRICTED FOR JUDICIAL ACTIVITIES	131	115	0	0	131	115
RESTRICTED FOR TOURISM	18	7	0	0	18	7
UNRESTRICTED	6,568	6,637	(335)	(366)	6,233	6,271
TOTAL NET POSITION	\$81,238	\$78,303	\$256	\$241	\$81,494	\$78,544

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

A significant portion (86%) of the net position represents the *net investment in capital assets*. This includes land, buildings, machinery and equipment, and infrastructure assets, offset with associated long-term debt liabilities. Capital assets are restricted for the purpose of providing services to the citizens of Lumpkin County; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Other restricted net position components represent resources that are subject to external restrictions on how they may be used and total 6.18% of the total. Included in this category are unspent SPLOST proceeds for Debt Service Reserves (2.46% of the total), funds restricted for capital projects (2.84% of the total), public safety activities (0.20% of the total), planning (.37% of the total), law library activities (0.08% of the total), judicial activities (0.20% of the total), and tourism (.02% of the total). The remaining 7.60% of net position represent the unrestricted portion available for the County's ongoing obligations to its citizens.

Changes in Revenues and Expenses. Table C presents the County's 2017 and 2016 revenues and expenses for Governmental and Business-type activities as they are reported in the Entity Wide Statements.

TABLE C

LUMPKIN COUNTY, GEORGIA'S CHANGES IN NET POSITION
Year Ended December 31, 2017 and 2016
(\$ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS- TYPE ACTIVITIES		TOTAL	
	2017	2016	2017	2016	2017	2016
REVENUES:						
PROGRAM REVENUES:						
CHARGES FOR SERVICES	\$4,335	\$4,157	\$131	\$34	\$4,466	\$4,191
OPERATING GRANTS & CONTRIBUTIONS	1,175	1,146	0	0	1,175	1,146
CAPITAL GRANTS & CONTRIBUTIONS	1,410	1,296	0	0	1,410	1,296
GENERAL REVENUES:						
PROPERTY TAXES	12,191	10,627	0	0	12,191	10,627
SALES TAXES	6,130	5,681	0	0	6,130	5,681
OTHER TAXES	1,672	1,584	0	0	1,672	1,584
UNRESTRICTED INVESTMENT EARNINGS	76	52	0	0	76	52
TOTAL REVENUES	26,989	24,543	131	34	27,120	24,577
EXPENSES:						
GENERAL GOVERNMENT	4,614	4,270	0	0	4,614	4,270
PUBLIC SAFETY	10,764	9,918	0	0	10,764	9,918
JUDICIAL SYSTEM	2,318	2,348	0	0	2,318	2,348
PUBLIC WORKS	3,055	3,162	0	0	3,055	3,162
HEALTH & WELFARE	734	689	0	0	734	689
CULTURE & RECREATION	1,511	1,406	0	0	1,511	1,406
HOUSING & DEVELOPMENT	668	511	0	0	668	511
INTEREST	394	477	0	0	394	477
SOLID WASTE	0	0	112	109	112	109
TOTAL EXPENSES	24,058	22,781	112	109	24,170	22,890
INCREASE IN NET POSITION BEFORE TRANSFERS	2,931	1,762	19	(75)	2,950	1,687
TRANSFERS	4	(92)	(4)	92	(0)	(0)
INCREASE (DECREASE) IN NET POSITION	2,935	1,670	15	17	2,950	1,687
NET POSITION, BEGINNING OF YEAR	78,303	76,633	241	224	78,544	76,857
NET POSITION, END OF YEAR	\$81,238	\$78,303	\$256	\$241	\$81,494	\$78,544

Governmental Activities: Governmental activities accounted for \$2.9 million of the excess in the County's net revenues over expenses for 2017 primarily due to the collection of back property taxes, interest and penalties, and capital grants and contributions.

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

Financial Analysis of the County's Funds

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

At the end of 2017, Lumpkin County Governmental Funds reported a combined fund balance of \$12 million. This amount was down approximately \$.9 million from 2016. Of the total combined fund balance, approximately 47.4% consists of *unassigned fund balance*, the portion of fund balance, which serves as a measure of current available financial resources.

The *restricted fund balance* represented resources not available for spending or those on which legal restrictions have been placed. The County's restricted fund balance makes up 41.2% of the combined total.

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

General Fund. The General Fund of Lumpkin County accounts for all transactions not accounted for in other funds. As the County's major operating fund, the General Fund accounts for ordinary operating expenditures financed primarily by property taxes and charges for services. The General Fund completed the year with a fund balance of \$7.05 million. This was an increase from the previous year of \$0.72 million. Of the \$7.05 million, 81.16% is unassigned while the remaining 18.84% is non-spendable or assigned.

SPLOST. This fund accounts for the 2014 SPLOST money, including earned interest, which is to be used for various capital projects as provided in Title 48, Chapter 8 of the Official Code of Georgia Annotated. At December 31, 2017, the fund balance of this fund was \$2.0 million.

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

Enterprise Fund. The Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises - where the costs (expenses, including depreciation) of providing goods or services to the general public are being financed or recovered primarily through user charges on a continuing basis. The Solid Waste Management Fund is the County's single enterprise fund. Total net position of the enterprise fund at the end of 2017 was \$256 thousand, representing an increase of \$15 thousand.

General Fund Budgetary Highlights

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

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

Even with these adjustments, actual net change in fund balance was \$1.2 million below final budget amounts.

Capital Assets and Debt Administration

Capital Assets

At the end of 2017, the County had acquired \$83.7 million (net of accumulated depreciation) in a broad range of capital assets for its governmental and business-type activities including land, buildings, park facilities, roads, bridges, heavy machinery, vehicles and equipment, and infrastructure.

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

Debt Administration

Georgia Statutes provide for a general obligation debt limit of 10.0% of assessed valuation. The County had a general obligation debt capacity of \$104.6 million in 2017. The County currently has no debt subject to the limitation.

At December 31, 2017, Lumpkin County had the following outstanding long-term debt:

- \$13.9 million in notes payable and bonds payable.
- \$357 thousand in compensated absences.
- \$339 thousand in landfill postclosure costs
- \$ 1.8 million in net pension liability.
- Additional information on the County's long-term debt can be found in Note 8 of the Notes to Financial Statements.

Economic Factors and Next Year's Budgets and Rates

Economic conditions in the County stabilized during 2017, with minimal growth in the business sector. New housing starts were up in the County during 2017, with no real impact to the tax base and increasing demands for services. In an effort to stimulate growth of light industry and shift more of the tax burden from homeowners, a project to extend water and sewerage service was begun during 2003 and was completed during 2006 in the southern part of the County. This project has been completed and the County is beginning to see some retail growth in that area of the County.

The 2018 budget planned for an increase in tax revenues to fund a Capital Improvement Program and a merit increase for employees. The economy has necessitated a tight spending budget for 2018 as the value of the digest continues to decline and the economy remains sluggish. The budget increased by \$.7 million, largely due to the tax increase. The County has also implemented a number of cost saving measures and is currently looking at joint ventures within the community to ease the burden placed on the operating budget.

Contacting the County's Financial Management

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET POSITION DECEMBER 31, 2017

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 20,995,585	\$ -	\$ 20,995,585
Investments	-	-	-
Receivables (net of allowance for uncollectibles)	3,067,177	9,541	3,076,718
Prepaid items	614,143	3,639	617,782
Inventories	156,211	-	156,211
Due from component units	1,092	-	1,092
Capital assets, nondepreciable	37,176,337	192,103	37,368,440
Capital assets, depreciable, net of accumulated depreciation	45,925,037	398,327	46,323,364
Total assets	107,935,582	603,610	108,539,192
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	487,071	-	487,071
Pension related items	802,980	-	802,980
Total deferred outflows of resources	1,290,051	-	1,290,051
LIABILITIES			
Accounts payable	727,185	7,802	734,987
Accrued liabilities	302,915	1,152	304,067
Customer deposits	-	-	-
Due to primary government	-	-	-
Noncurrent liabilities due within one year			
Compensated absences	356,824	227	357,051
Landfill closure and postclosure	-	21,180	21,180
Notes payable	305,882	-	305,882
Bonds payable	645,000	-	645,000
Noncurrent liabilities due in more than one year			
Landfill closure and postclosure	-	317,700	317,700
Notes payable	6,569,836	-	6,569,836
Bonds payable	6,387,434	-	6,387,434
Net pension liability	1,808,314	-	1,808,314
Total liabilities	17,103,390	348,061	17,451,451
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues - property taxes	10,334,953	-	10,334,953
Unearned revenues - intergovernmental	549,042	-	549,042
Pension related items	-	-	-
Total deferred inflows of resources	10,883,995	-	10,883,995
NET POSITION			
Net investment in capital assets	69,680,293	590,430	70,270,723
Restricted for:			
Debt service	2,008,224	-	2,008,224
Capital projects	2,317,361	-	2,317,361
Public safety activities	161,864	-	161,864
Planning department operations	304,519	-	304,519
Law library operations	64,905	-	64,905
Judicial activities	159,555	-	159,555
Tourism	17,972	-	17,972
Unrestricted	6,523,555	(334,881)	6,188,674
Total net position	\$ 81,238,248	\$ 255,549	\$ 81,493,797

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

Component Units			
Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
\$ 512,007	\$ 664,700	\$ 218,259	\$ 572,486
-	-	1,200,539	-
50,741	2,046,572	10,144	212,034
-	3,570	-	19,052
-	-	-	27,404
-	-	-	-
-	15,600	-	1,327,842
2,141	2,150	-	5,382,374
564,889	2,732,592	1,428,942	7,541,192
-	-	-	40,280
212,191	-	-	-
212,191	-	-	40,280
24,192	2,447	-	98,607
-	18,610	-	9,266
-	-	-	109,150
-	-	-	1,092
36,439	-	-	9,944
-	-	-	-
-	-	-	77,213
-	60,107	-	278,696
-	-	-	-
-	-	-	1,301,829
-	1,343,154	-	621,916
707,718	-	-	-
768,349	1,424,318	-	2,507,713
-	-	-	-
-	-	-	-
1,634	-	-	-
1,634	-	-	-
2,141	17,750	-	4,415,421
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
4,956	1,290,524	1,428,942	658,338
\$ 7,097	\$ 1,308,274	\$ 1,428,942	\$ 5,073,759

LUMPKIN COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 4,614,284	\$ 891,124	\$ 215,641	\$ -
Judicial	2,317,491	1,002,932	400,665	-
Public safety	10,763,698	1,928,292	296,791	-
Public works	3,055,477	831	38,000	1,409,350
Health and welfare	733,810	24,767	224,167	-
Culture and recreation	1,510,923	250,082	-	-
Housing and development	667,977	237,099	-	-
Interest on long-term debt	394,290	-	-	-
Total governmental activities	<u>24,057,950</u>	<u>4,335,127</u>	<u>1,175,264</u>	<u>1,409,350</u>
Business-type activities:				
Solid waste management	111,530	130,599	-	-
Total business-type activities	<u>111,530</u>	<u>130,599</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 24,169,480</u>	<u>\$ 4,465,726</u>	<u>\$ 1,175,264</u>	<u>\$ 1,409,350</u>
Component units:				
Health Department	\$ 843,298	\$ 313,353	\$ 535,175	\$ -
Development Authority	185,867	-	-	-
Hospital Authority	70,426	-	-	-
Water and Sewerage Authority	971,725	1,219,071	-	791,882
Total component units	<u>\$ 2,071,316</u>	<u>\$ 1,532,424</u>	<u>\$ 535,175</u>	<u>\$ 791,882</u>
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Other taxes				
Unrestricted net investment earnings				
Miscellaneous				
Gain on sale of capital asset				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

**Net (Expenses) Revenues and
Changes in Net Position**

Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Health Department	Development Authority	Hospital Authority	Water and Sewerage Authority
\$ (3,507,519)	\$ -	\$ (3,507,519)	\$ -	\$ -	\$ -	\$ -
(913,894)	-	(913,894)	-	-	-	-
(8,538,615)	-	(8,538,615)	-	-	-	-
(1,607,296)	-	(1,607,296)	-	-	-	-
(484,876)	-	(484,876)	-	-	-	-
(1,260,841)	-	(1,260,841)	-	-	-	-
(430,878)	-	(430,878)	-	-	-	-
(394,290)	-	(394,290)	-	-	-	-
<u>(17,138,209)</u>	<u>-</u>	<u>(17,138,209)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	19,069	19,069	-	-	-	-
-	19,069	19,069	-	-	-	-
<u>(17,138,209)</u>	<u>19,069</u>	<u>(17,119,140)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	5,230	-	-	-
-	-	-	-	(185,867)	-	-
-	-	-	-	-	(70,426)	-
-	-	-	-	-	-	1,039,228
-	-	-	<u>5,230</u>	<u>(185,867)</u>	<u>(70,426)</u>	<u>1,039,228</u>
12,191,331	-	12,191,331	-	-	-	-
6,130,414	-	6,130,414	-	-	-	-
1,478,853	-	1,478,853	-	-	-	-
193,352	-	193,352	-	-	-	-
75,672	-	75,672	-	55,338	92,733	-
-	-	-	81,135	2,389	-	-
-	-	-	-	47,450	-	-
4,042	(4,042)	-	-	-	-	-
<u>20,073,664</u>	<u>(4,042)</u>	<u>20,069,622</u>	<u>81,135</u>	<u>105,177</u>	<u>92,733</u>	<u>-</u>
2,935,455	15,027	2,950,482	86,365	(80,690)	22,307	1,039,228
78,302,793	240,522	78,543,315	(79,268)	1,388,964	1,406,635	4,034,531
<u>\$ 81,238,248</u>	<u>\$ 255,549</u>	<u>\$ 81,493,797</u>	<u>\$ 7,097</u>	<u>\$ 1,308,274</u>	<u>\$ 1,428,942</u>	<u>\$ 5,073,759</u>

LUMPKIN COUNTY, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

ASSETS	General	SPLOST	Nonmajor	Total
			Governmental	
	Funds			
Cash and cash equivalents	\$ 15,121,885	\$ 1,817,289	\$ 4,056,411	\$ 20,995,585
Receivables (net of allowance for uncollectibles)	2,511,095	303,830	252,252	3,067,177
Inventories	156,211	-	-	156,211
Due from other funds	274,222	-	71,316	345,538
Due from component units	1,092	-	-	1,092
Prepaid items	569,745	-	44,398	614,143
Total assets	\$ 18,634,250	\$ 2,121,119	\$ 4,424,377	\$ 25,179,746
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 410,655	\$ 86,065	\$ 230,465	\$ 727,185
Other accrued liabilities	255,176	-	-	255,176
Due to other funds	71,316	70,579	203,643	345,538
Total liabilities	737,147	156,644	434,108	1,327,899
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	587,557	-	24,946	612,503
Unearned revenue - property taxes	9,963,651	-	371,302	10,334,953
Unavailable revenue - intergovernmental	296,157	-	735	296,892
Unearned revenue - intergovernmental	-	-	549,042	549,042
Total deferred inflows of resources	10,847,365	-	946,025	11,793,390
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaid items	569,745	-	44,398	614,143
Inventories	156,211	-	-	156,211
Restricted for:				
Debt service	-	-	1,995,492	1,995,492
Capital projects	-	1,964,475	352,886	2,317,361
Public safety activities	-	-	154,262	154,262
Planning department operations	-	-	284,524	284,524
Law library operations	-	-	64,905	64,905
Judicial activities	-	-	129,805	129,805
Tourism	-	-	17,972	17,972
Assigned for:				
Fire station construction	102,218	-	-	102,218
Use of reserves in subsequent budget	500,000	-	-	500,000
Unassigned	5,721,564	-	-	5,721,564
Total fund balances	7,049,738	1,964,475	3,044,244	12,058,457
Total liabilities, deferred inflows of resources and fund balances	\$ 18,634,250	\$ 2,121,119	\$ 4,424,377	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	83,101,374
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	909,395
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(13,825,644)
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the County's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(1,005,334)

Net position of governmental activities \$ 81,238,248

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, 2017

	General	SPLOST	Nonmajor Governmental Funds	Total
Revenues:				
Taxes	\$ 15,782,105	\$ 3,377,084	\$ 789,036	\$ 19,948,225
Licenses and permits	48,663	-	224,039	272,702
Fines and forfeitures	610,073	-	80,170	690,243
Charges for services	2,466,876	-	576,672	3,043,548
Interest income	61,658	13,460	14,014	89,132
Intergovernmental	515,570	212,227	1,124,240	1,852,037
Contributions and donations	43,949	-	75,835	119,784
Other	297,501	-	31,133	328,634
Total revenues	19,826,395	3,602,771	2,915,139	26,344,305
Expenditures:				
Current:				
General government	3,596,275	-	75,063	3,671,338
Judicial	1,641,205	-	667,657	2,308,862
Public safety	9,140,533	-	933,777	10,074,310
Public works	1,425,269	35,371	19,801	1,480,441
Health and welfare	686,320	6,933	6,177	699,430
Culture and recreation	1,266,397	-	14,148	1,280,545
Housing and development	81,511	-	582,406	663,917
Intergovernmental	-	638,328	-	638,328
Capital outlay	-	3,223,631	1,404,947	4,628,578
Debt service:				
Principal	53,397	635,000	855,582	1,543,979
Interest and fees	65,642	151,923	148,976	366,541
Total expenditures	17,956,549	4,691,186	4,708,534	27,356,269
Excess (deficiency) of revenues over expenditures	1,869,846	(1,088,415)	(1,793,395)	(1,011,964)
Other financing sources (uses):				
Proceeds from the sale of capital assets	109,370	-	-	109,370
Transfers in	4,042	541,565	1,293,026	1,838,633
Transfers out	(1,265,252)	-	(569,339)	(1,834,591)
Total other financing sources (uses)	(1,151,840)	541,565	723,687	113,412
Net change in fund balances	718,006	(546,850)	(1,069,708)	(898,552)
Fund balances, beginning of year	6,331,732	2,511,325	4,113,952	12,957,009
Fund balances, end of year	\$ 7,049,738	1,964,475	\$ 3,044,244	\$ 12,058,457

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, 2017

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

Net change in fund balances - total governmental funds	\$ (898,552)
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.	2,424,168
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(271,199)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	338,207
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,543,979
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>(201,148)</u>
Change in net position - governmental activities	<u>\$ 2,935,455</u>

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUND DECEMBER 31, 2017

	Solid Waste Management Fund
ASSETS	
Current assets:	
Receivables	\$ 9,541
Prepaid items	3,639
Total current assets	<u>13,180</u>
Noncurrent assets:	
Capital assets:	
Capital assets, not being depreciated	192,103
Capital assets, being depreciated	1,029,561
Less accumulated depreciation	<u>(631,234)</u>
Total capital assets, net of accumulated depreciation	<u>590,430</u>
Total assets	<u>603,610</u>
LIABILITIES	
Current liabilities:	
Accounts payable	7,802
Other accrued liabilities	1,152
Compensated absences	227
Landfill postclosure, current	<u>21,180</u>
Total current liabilities	<u>30,361</u>
Long-term liabilities:	
Landfill postclosure	<u>317,700</u>
Total long-term liabilities	<u>317,700</u>
Total liabilities	<u>348,061</u>
NET POSITION	
Investment in capital assets	590,430
Unrestricted	<u>(334,881)</u>
Total net position	<u>\$ 255,549</u>

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

LUMPKIN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Solid Waste Management Fund
OPERATING REVENUES	
Charges for services	\$ 33,626
Other operating revenue	96,973
Total operating revenues	130,599
OPERATING EXPENSES	
Salaries and benefits	53,719
Supplies and maintenance	41,102
Depreciation expense	16,709
Total operating expenses	111,530
Operating income before transfers	19,069
Transfers out	(4,042)
Change in net position	15,027
NET POSITION, beginning of year	240,522
NET POSITION, end of year	\$ 255,549

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, 2017

	Solid Waste Management Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 126,789
Payments to suppliers and service providers	(68,996)
Payments to employees	(53,751)
	4,042
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer out to other funds	(4,042)
	(4,042)
Net increase in cash and cash equivalents	-
Cash and cash equivalents:	
Beginning of year	-
End of year	\$ -
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 19,069
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	16,709
Increase in receivables	(3,810)
Decrease in prepaids	524
Increase in accounts payable	6,702
Increase in other accrued liabilities	169
Decrease in compensated absences	(201)
Decrease in landfill postclosure care costs	(35,120)
	(35,120)
Net cash provided by operating activities	\$ 4,042

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

LUMPKIN COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES FIDUCIARY FUNDS DECEMBER 31, 2017

ASSETS	Agency Funds
Cash	\$ 1,555,897
Taxes receivable	2,006,332
Accounts receivable	<u>18,858</u>
Total assets	<u><u>\$ 3,581,087</u></u>
LIABILITIES	
Due to others	\$ 1,574,755
Uncollected taxes due to other entities	<u>2,006,332</u>
Total liabilities	<u><u>\$ 3,581,087</u></u>

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

LUMPKIN COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lumpkin County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

Lumpkin County operates under a commissioner-manager form of government under which a five member Board of Commissioners is elected to serve as the legislative body for the County. The commission chairman is elected at large, while the remaining four commissioners are elected by geographical districts in which they reside by voters county-wide. The County provides the following services: public safety, judicial, public works, health and welfare, culture and recreation, housing and development, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. Blended component units, although legally separate entities are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Unit

The Lumpkin County Public Building Authority (the "Building Authority"), which provides financing exclusively for County buildings, is governed by a five member board appointed by the Lumpkin County Board of Commissioners. The debt of the Building Authority is reported as part of the County's debt, and all debt service activity is reported in the County's debt service fund. Separate financial statements are not prepared for the Building Authority.

Discretely Presented Component Units

The Lumpkin County Department of Public Health (the "Health Department") is governed by a seven member board consisting of one member of the Board of Commissioners and two members as appointed by the Board of Commissioners. The County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health service fees. The Health Department has a June 30th year-end and is presented as a governmental type component unit.

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, 60 Mechanicsville Road, Dahlonega, GA 30533.

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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 is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Agency funds, however, have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

The **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 **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)

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

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

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

D. Deposits and Investments

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

Investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

E. Receivables and Payables

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. Intangible assets, such as internally generated or purchased software, are defined as having an initial cost of \$25,000 and an estimated useful life in excess of two years, and all remaining intangible assets are defined as having an initial cost in excess of \$100,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The County has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

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

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

<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. Deferred Outflows/Inflows of Resources

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources (Continued)

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

I. Compensated Absences

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

J. Long-Term Obligations

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity

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

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

Fund balances are classified as follows:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

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

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

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

L. Use of Estimates

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

M. Pensions

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

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 Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$13,825,644 difference are as follows:

Notes payable	\$ (6,875,718)
Revenue bonds payable	(7,010,000)
Premium on issuance of revenue bonds	(22,434)
Deferred loss on refunding	487,071
Accrued interest payable	(47,739)
Compensated absences	<u>(356,824)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (13,825,644)</u>

Another element of that reconciliation states that “deferred outflows of resources, deferred inflows of resources and the net pension liability related to the County’s pension plan are not expected to be liquidated with expendable available resources and, therefore, are not reported in the funds.” The details of this \$1,005,334 difference are as follows:

Net pension liability	\$ (1,808,314)
Deferred outflows of resources - pension related items	<u>802,980</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (1,005,334)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$2,424,168 difference are as follows:

Capital outlay	\$ 4,952,253
Depreciation expense	<u>(2,528,085)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ 2,424,168</u></u>

Another element of the reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.” The details of this \$271,199 difference are as follows:

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold.	\$ (578,050)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>306,851</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ (271,199)</u></u>

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 issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$1,543,979 difference are as follows:

Principal repayments of revenue bonds	\$ 635,000
Principal repayments of notes payable	<u>908,979</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ 1,543,979</u></u>

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 \$201,148 difference are as follows:

Compensated absences	\$ (20,152)
Amortization of original issue premium	4,002
Amortization of deferred charges on refunding	(48,706)
Accrued interest	16,955
Net pension liability and related deferred outflows and inflows of resources	<u>(153,247)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ (201,148)</u></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 (the legal level of budgetary control); however, any revisions of the budget must be amended by formal action of the Board of Commissioners in a regular meeting.
5. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets are adopted for the General Fund, Debt Service Fund, and special revenue funds. Project length budgets are adopted for the capital projects funds.
6. Formal budgetary integration is employed as a measurement control device during the year for the General Fund, Debt Service Fund, and the special revenue funds. An annual operating budget is prepared for the Solid Waste Fund for planning, control, cost allocation, and evaluation purposes. All appropriations lapse at year end.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Excess Expenditures Over Appropriations

For the year ended December 31, 2017 expenditures exceeded the budget in the funds and General Fund departments as follows:

Fund/Department	Excess
General Fund:	
Legislative	\$ 3,590
Risk management	301,619
Judicial administration	6,013
Superior court	96,071
Clerk superior court	1,113
District attorney	2,541
Police	11,132
Public works administration	259
Sanitation and wastewater	814
Health	100
Conservation	807
Technology Fee Fund	17,584
Multiple Grant Fund	90,652
Hotel/Motel Tax Fund	63,229
Debt Service Fund	14,147

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

NOTE 4. DEPOSITS AND INVESTMENTS

A. Primary Government

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities of the State of Georgia. As of December 31, 2017, the County's deposits were insured and/or collateralized as defined by state statutes and GASB pronouncements.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

B. Component Unit – Hospital Authority

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

Categorization of investments. As of December 31, 2017, the Hospital Authority had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Rating (S&P)</u>	<u>Fair Value</u>
GA Municipal Association COP	December 1, 2023	AA+	\$ 108,541
GA State Revenue Bonds	December 1, 2041	AAA	200,964
City of Americus Bonds	June 1, 2030	AA	120,234
City of Dahlonega Revenue Bonds	July 1, 2030	AA	213,062
Tennessee Valley Authority	July 15, 2033	AA+	122,518
Federal Farm Credit Bank	June 8, 2037	AA+	121,789
Federal Home Loan Bank	October 26, 2022	AA+	99,841
Decatur GA School System COP	May 1, 2044	AA-	213,590
	Total		<u>\$ 1,200,539</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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

B. Component Unit – Hospital Authority (Continued)

Fair Value Measurements. The Hospital Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Hospital Authority has the following recurring fair value measurements as of December 31, 2017:

Investment	Level 1	Level 2	Fair Value
GA Municipal Association COP	\$ -	\$ 108,541	\$ 108,541
GA State Revenue Bonds	-	200,964	200,964
City of Americus Bonds	-	120,234	120,234
City of Dahlonega Revenue Bonds	-	213,062	213,062
Tennessee Valley Authority	122,518	-	122,518
Federal Farm Credit Bank	-	121,789	121,789
Federal Home Loan Bank	-	99,841	99,841
Decatur GA School System COP	-	213,590	213,590
Total investments measured at fair value	<u>\$ 122,518</u>	<u>\$ 1,078,021</u>	<u>\$ 1,200,539</u>

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

Custodial credit risk. As of December 31, 2017, all of the Hospital Authority's deposits were collateralized with the depository financial institution.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

A. Primary Government

Receivables at December 31, 2017, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	SPLOST Fund	Solid Waste Management Fund	Nonmajor Governmental Funds
Receivables:				
Taxes	\$ 1,502,319	\$ 303,830	\$ -	\$ 61,729
Other governments	565,170	-	-	72,801
Accounts	1,511,244	-	9,541	117,722
Gross receivables	3,578,733	303,830	9,541	252,252
Less allowance for uncollectibles	(1,067,638)	-	-	-
Net receivables	\$ 2,511,095	\$ 303,830	\$ 9,541	\$ 252,252

Property taxes for the 2017 fiscal year were levied on October 5, 2016, with property values assessed as of January 1, 2016. Bills are payable on or before December 5, 2016, 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 2017 are to fund operations for the County's fiscal year beginning January 1, 2018. Amounts recorded as a receivable as well as amounts collected as of December 31, 2017 related to these taxes are recorded as deferred inflows of resources – unearned property taxes in the fund financial statements and in the government-wide statement of net position.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 20,319,559	\$ 236,302	\$ (139,386)	\$ 20,416,475
Infrastructure land improvements	15,969,973	150,164	(189,700)	15,930,437
Construction in progress	386,893	482,211	(39,679)	829,425
Total capital assets, not being depreciated	<u>36,676,425</u>	<u>868,677</u>	<u>(368,765)</u>	<u>37,176,337</u>
Capital assets, being depreciated:				
Buildings and improvements	42,278,642	694,338	-	42,972,980
Machinery and equipment	5,536,203	973,751	(29,452)	6,480,502
Vehicles	5,452,337	1,307,657	(489,353)	6,270,641
Infrastructure	21,798,804	1,414,681	(905,094)	22,308,391
Total capital assets, being depreciated	<u>75,065,986</u>	<u>4,390,427</u>	<u>(1,423,899)</u>	<u>78,032,514</u>
Less accumulated depreciation for:				
Buildings and improvements	9,772,035	964,555	-	10,736,590
Machinery and equipment	3,533,883	318,043	(26,507)	3,825,419
Vehicles	3,372,023	431,459	(429,503)	3,373,979
Infrastructure	14,116,065	814,028	(758,604)	14,171,489
Total accumulated depreciation	<u>30,794,006</u>	<u>2,528,085</u>	<u>(1,214,614)</u>	<u>32,107,477</u>
Total capital assets, being depreciated, net	<u>44,271,980</u>	<u>1,862,342</u>	<u>(209,285)</u>	<u>45,925,037</u>
Governmental activities capital assets, net	<u>\$ 80,948,405</u>	<u>\$ 2,731,019</u>	<u>\$ (578,050)</u>	<u>\$ 83,101,374</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (Continued)

A. Primary Government (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 192,103	\$ -	\$ -	\$ 192,103
Total capital assets, not being depreciated	<u>192,103</u>	<u>-</u>	<u>-</u>	<u>192,103</u>
Capital assets, being depreciated:				
Land improvements	291,585	-	-	291,585
Buildings and improvements	551,470	-	-	551,470
Machinery and equipment	134,506	-	-	134,506
Vehicles	52,000	-	-	52,000
Total capital assets, being depreciated	<u>1,029,561</u>	<u>-</u>	<u>-</u>	<u>1,029,561</u>
Less accumulated depreciation for:				
Land improvements	291,585	-	-	291,585
Buildings and improvements	169,146	12,970	-	182,116
Machinery and equipment	106,994	3,739	-	110,733
Vehicles	46,800	-	-	46,800
Total accumulated depreciation	<u>614,525</u>	<u>16,709</u>	<u>-</u>	<u>631,234</u>
Total capital assets, being depreciated, net	<u>415,036</u>	<u>(16,709)</u>	<u>-</u>	<u>398,327</u>
Business-type activities capital assets, net	<u>\$ 607,139</u>	<u>\$ (16,709)</u>	<u>\$ -</u>	<u>\$ 590,430</u>

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	\$ 622,013
Public safety	696,322
Public works	934,595
Health and welfare	33,014
Culture and recreation	233,063
Housing and development	9,078
Total depreciation expense - governmental activities	<u>\$ 2,528,085</u>

B. Discretely Presented Component Unit – Water Authority

Capital asset activity for the year ended December 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases and Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 51,312	\$ -	\$ -	\$ 51,312
Construction in progress	414,551	861,979	-	1,276,530
Total	<u>465,863</u>	<u>861,979</u>	<u>-</u>	<u>1,327,842</u>
Capital assets, being depreciated:				
Infrastructure	7,086,745	832,949	-	7,919,694
Machinery and equipment	106,157	-	-	106,157
Vehicles	71,002	-	-	71,002
Total	<u>7,263,904</u>	<u>832,949</u>	<u>-</u>	<u>8,096,853</u>
Less accumulated depreciation for:				
Infrastructure	(2,388,086)	(190,456)	-	(2,578,542)
Machinery and equipment	(72,460)	(8,617)	-	(81,077)
Vehicles	(51,472)	(3,388)	-	(54,860)
Total	<u>(2,512,018)</u>	<u>(202,461)</u>	<u>-</u>	<u>(2,714,479)</u>
Total capital assets, being depreciated, net	<u>4,751,886</u>	<u>630,488</u>	<u>-</u>	<u>5,382,374</u>
Total capital assets, net	<u>\$ 5,217,749</u>	<u>\$ 1,492,467</u>	<u>\$ -</u>	<u>\$ 6,710,216</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2017, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	SPLOST Fund	\$ 70,579
General Fund	Nonmajor Governmental Funds	203,643
Nonmajor Governmental Funds	General Fund	71,316

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balance between the SPLOST Fund and the General Fund relates to supplemental funding of a SPLOST project.

Interfund transfers for the year ended December 31, 2017 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Solid Waste Fund	\$ 4,042
SPLOST Fund	General Fund	30,951
SPLOST Fund	Nonmajor governmental funds	510,614
Nonmajor governmental funds	General Fund	1,234,301
Nonmajor governmental funds	Nonmajor governmental funds	58,725

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 General Fund	Water & Sewerage Authority	\$ 1,092

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, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Revenue bonds	\$ 7,645,000	\$ -	\$ (635,000)	\$ 7,010,000	\$ 645,000
Plus: Premium	26,436	-	(4,002)	22,434	-
Total revenue bonds	7,671,436	-	(639,002)	7,032,434	645,000
Notes payable	7,784,697	-	(908,979)	6,875,718	305,882
Net pension liability	1,510,585	755,738	(458,009)	1,808,314	-
Compensated absences	336,672	365,262	(345,110)	356,824	356,824
Governmental activities long-term liabilities	<u>\$ 17,303,390</u>	<u>\$ 1,121,000</u>	<u>\$ (2,351,100)</u>	<u>\$ 16,073,290</u>	<u>\$ 1,307,706</u>
Business-type Activities:					
Landfill postclosure costs	\$ 374,000	\$ -	\$ (35,120)	\$ 338,880	\$ 21,180
Compensated absences	428	84	(285)	227	227
Business-type activities long-term liabilities	<u>\$ 374,428</u>	<u>\$ 84</u>	<u>\$ (35,405)</u>	<u>\$ 339,107</u>	<u>\$ 21,407</u>

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

Notes Payable. In September 1999, Lumpkin County and the City of Dahlonega borrowed \$4,475,000 from the Georgia Environmental Finance Authority (GEFA) to develop a reservoir. During 2001, the City and County entered into an agreement to increase the loan amount to \$14,000,000. During 2006, the reservoir was completed and the loan finalized. The County's share of the obligation as of December 31, 2017, was \$5,997,730 which is 51% of the total debt outstanding. The note carries an interest rate of 3%.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 305,882	\$ 192,405	\$ 498,287
2019	312,818	185,469	498,287
2020	319,928	178,358	498,286
2021	327,233	171,054	498,287
2022	208,100	163,594	371,694
2023-2027	1,084,065	726,913	1,810,978
2028-2032	1,048,734	572,273	1,621,007
2033-2037	1,218,228	402,780	1,621,008
2038-2042	1,415,112	205,894	1,621,006
2043-2046	635,618	22,144	657,762
Total	<u>\$ 6,875,718</u>	<u>\$ 2,820,884</u>	<u>\$ 9,696,602</u>

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

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

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 645,000	\$ 138,578	\$ 783,578
2019	660,000	125,676	785,676
2020	670,000	117,428	787,428
2021	680,000	107,378	787,378
2022	690,000	96,158	786,158
2023-2027	3,665,000	262,697	3,927,697
Total	<u>\$ 7,010,000</u>	<u>\$ 847,915</u>	<u>\$ 7,857,915</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Landfill post-closure costs. Effective June 17, 2003, the Lumpkin County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of December 31, 2017, the County has 16 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately \$338,880 over the 16 year period. These costs are based on what it would cost to perform all post-closure care in 2017, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

B. Discretely Presented Component Unit – Development Authority

Debt activity for the year ended December 31, 2017 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 1,461,782	\$ -	\$ (58,521)	\$ 1,403,261	\$ 60,107
	<u>\$ 1,461,782</u>	<u>\$ -</u>	<u>\$ (58,521)</u>	<u>\$ 1,403,261</u>	<u>\$ 60,107</u>

Bonds Payable. On March 30, 2015, the Development Authority issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The total maximum amount to be issued is \$1,500,000 with a 10 year maturity date of March 1, 2026. The repayment is interest only through March 1, 2016 with an interest rate of Libor plus 2.1%. After March 1, 2016, principal and interest will be paid monthly through maturity with a fixed interest rate of 2.64% with a balloon payment of the remaining balance March 1, 2026. As of December 31, 2017 the outstanding balance is \$1,403,261. In the event that the Development Authority is unable to meet payment obligations, the full faith, credit and taxing power of Lumpkin County is ultimately responsible.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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

Year ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 60,107	\$ 36,848	\$ 96,955
2019	61,738	35,217	96,955
2020	63,317	33,638	96,955
2021	65,130	31,825	96,955
2022	66,899	30,058	96,957
2023-2026	1,086,070	206,662	1,292,732
Total	<u>\$ 1,403,261</u>	<u>\$ 374,248</u>	<u>\$ 1,777,509</u>

Interest expense for the year ended December 31, 2017 is \$38,307.

C. Discretely Presented Component Unit – Water Authority

Long-term debt activity for the year ended December 31, 2017 for the Water Authority is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 1,174,039	\$ -	\$ (273,427)	\$ 900,612	\$ 278,696
Notes payable	450,705	942,996	(14,659)	1,379,042	77,213
Compensated absences	8,475	13,564	(12,095)	9,944	9,944
Total long-term liabilities	<u>\$ 1,633,219</u>	<u>\$ 956,560</u>	<u>\$ (300,181)</u>	<u>\$ 2,289,598</u>	<u>\$ 365,853</u>

Bonds Payable. On May 1, 2013, the Water Authority issued the Lumpkin County Water and Sewerage Authority Revenue Refunding Bond, Series 2013. The bond was issued for the purpose of refunding and paying off the outstanding principal amount, premium and accrued interest on the Lumpkin County Water and Sewerage Authority Water Revenue Bond, Series 2010. The Series 2013 bonds bear interest at 1.910% and is payable in monthly installments of \$24,456 which includes principal and interest. As a result of this transaction, the Water Authority reports a deferred charge on refunding which is reported as a deferred outflow of resources. This item is being recognized as an expense (amortized) over the life of the bonds and has a balance of \$40,280 as of December 31, 2017.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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

Year ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 278,696	\$ 14,779	\$ 293,475
2019	284,065	9,410	293,475
2020	289,539	3,936	293,475
2021	48,312	117	48,429
Total	<u>\$ 900,612</u>	<u>\$ 28,242</u>	<u>\$ 928,854</u>

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

On February 24, 2015, the Authority executed a promissory note to the Georgia Environmental Finance Authority (GEFA) to borrow up to \$1 million from the Drinking Water State Revolving Fund for the construction of a 500,000 gallon elevated water storage tank. Additionally, the agreement with GEFA included a principal forgiveness component equal to 25% of the face value of the note, or \$250,000. Monthly principal and interest payments are paid each month beginning through April 1, 2018 through March 1, 2038 at an interest rate of 2.03%

On March 15, 2016, the Authority executed a promissory note to the GEFA to borrow up to \$750,000 from the Drinking Water State Revolving Fund to finance the costs of acquiring, constructing, and installing water mains and appurtenances. Additionally, the agreement with GEFA included a principal forgiveness component equal to 40% of the face value of the note, or \$300,000. Monthly principal and interest payments are paid each month beginning through January 1, 2018 through December 1, 2027 at an interest rate of .52%.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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

Year ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 77,213	\$ 22,838	\$ 100,051
2019	85,679	21,957	107,636
2020	86,905	20,731	107,636
2021	88,158	19,478	107,636
2022	89,437	18,199	107,636
2023-2027	467,329	70,851	538,180
2028-2032	266,703	37,504	304,207
2023-2037	206,724	11,951	218,675
2038	10,894	40	10,934
Total	<u>\$ 1,379,042</u>	<u>\$ 223,549</u>	<u>\$ 1,602,591</u>

The remainder of this page was intentionally left blank.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN

Plan Description

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

Plan membership. As of January 1, 2017, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Retirees, Beneficiaries and Disables receiving benefits	42
Terminated plan participants entitled to but not yet receiving benefits	131
Active employees participating in the Plan	136
Total number of Plan participants	<u>309</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended December 31, 2017, the County's contribution rate was 5.7% of annual payroll. County contributions to the Plan were \$317,767 for the year ended December 31, 2017.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2016.

Actuarial assumptions. The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.5% - 5.5%, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study through December 31, 2015.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Net Pension Liability of the County (Continued)

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30%	6.78%
Large Cap equity	30%	9.77
International equity	15%	7.47
Other equity	20%	9.23
Real estate	5%	10.63
Total	100%	

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

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability. As of December 31, 2016 the expected long-term rate of return was revised to 7.25%.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended December 31, 2017, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/16	\$ 4,204,986	\$ 2,694,401	\$ 1,510,585
Changes for the year:			
Service cost	178,104	-	178,104
Interest	328,874	-	328,874
Differences between expected and actual experience	42,009		42,009
Assumption changes	175,216		175,216
Contributions—employer	-	277,885	(277,885)
Net investment income	-	180,124	(180,124)
Benefit payments, including refunds of employee contributions	(146,542)	(146,542)	-
Administrative expense	-	(31,535)	31,535
Net changes	577,661	279,932	297,729
Balances at 12/31/17	\$ 4,782,647	\$ 2,974,333	\$ 1,808,314

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.25 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's net pension liability	\$ 2,607,974	\$ 1,808,314	\$ 1,158,106

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2016 and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2017, the County recognized pension expense of \$471,014. At December 31, 2017, the County reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Plan contributions made subsequent to the measurement period	\$ 317,767
Assumption changes	244,596
Experience differences	90,685
Net difference between projected and actual earnings on pension plan investments	<u>149,932</u>
Total	<u><u>\$ 802,980</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

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

County contributions subsequent to the measurement date of \$317,767 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:		
2018	\$	135,456
2019		135,456
2020		129,992
2021		72,014
2022		<u>12,295</u>
Total	\$	<u><u>485,213</u></u>

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, 2017, the County's covered payroll for employees participating in this plan was \$6,157,745 and total payroll was \$9,946,530. The County's contribution was \$247,029 and employee contributions were \$179,402.

NOTES TO FINANCIAL STATEMENTS

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

Litigation

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

Grant Contingencies

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

Financial Guarantees

In March 2015, the Development Authority of Lumpkin County obtained financing from a financial institution in the form of Taxable Industrial Development Revenue Bonds, Series 2015 in the maximum principal amount of \$1,500,000. Subsequently, the County guaranteed these bonds in accordance with an intergovernmental contract signed between the Development Authority and the County dated March 30, 2015. Payments on the loan are due in monthly installments of principal and interest for a term of 120 monthly payments. As of December 31, 2017, the outstanding balance of the loan is \$1,403,261. In the event that the Development Authority has insufficient funds on deposit to enable the Development Authority to pay the principal and interest on the loan, the County will be required to transfer funds to the Development Authority such that payments from the County, when added to amounts available in the Development Authority's accounts, will be sufficient to pay principal and interest currently due.

In March 2016, the Lumpkin County Water and Sewerage Authority entered into an intergovernmental contract relating to \$750,000 the Authority borrowed from the Drinking Water State Revolving fund administered by Georgia Environmental Finance Authority (GEFA). Subsequently, the County guaranteed these notes in accordance with an intergovernmental contract signed between the Water and Sewerage Authority and the County dated March 15, 2016. Payments on the loan are due in monthly installments of principal and interest for a term of 119 monthly payments. As of December 31, 2017, the outstanding balance of this note is \$437,370. In the event that the Water and Sewerage Authority has insufficient funds on deposit to enable the Water and Sewerage Authority to pay the principal and interest on the loan, the County will be required to transfer funds to the Water and Sewerage Authority such that payments from the County, when added to amounts available in the Water and Sewerage Authority's accounts, will be sufficient to pay principal and interest currently due.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Georgia Mountains Regional Commission (RC) and is required to pay annual dues thereto. During the year ended December 31, 2017, the County paid \$27,419 in such dues. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

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

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

The County participates with Union, Banks and Towns Counties in the North Georgia Resource Management Authority. The Authority studied solid waste disposal issues, developed a plan to recycle waste paper and has leased those facilities to private entities. Lumpkin County has an ongoing financial interest and obligation for funding debt service requirements. The participating counties are annually assessed varying amounts to cover the Authority's inability to service its debt. During the year ended December 31, 2017, the County made no payments to the Authority. As of December 31, 2017, the Authority does not have any debt outstanding. Separate financial statements can be obtained from their office at:

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

NOTE 14. HOTEL/MOTEL TAX

The County has levied a 5% lodging tax. During the year ended December 31, 2017, the County collected \$220,515 in hotel/motel taxes. For the same year then ended, the hotel/motel tax fund reported expenditures of \$210,419 for the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. TAX ABATEMENTS

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

For the fiscal year ended December 31, 2017, the County abated property taxes totaling \$195,173 under this program, including the following tax abatement agreements:

- A 90 percent property tax abatement to a company for relocating its operations in the County, producing jobs, and investing in the community. The company is in year 2 of tax abatement. The abatement amounted to \$8,040. If the company does not meet the community jobs goals and the community investment goals, 100% of the ad valorem property taxes saved for that year will be recaptured by the Development Authority.
- A 50 percent property tax reduction for a local business expanding its existing manufacturing capabilities and increasing employment. The local business is in year 6 of tax abatement. The abatement amounted to \$187,133. If the local business does not meet the community jobs goals and community investment goals, 100% of the ad valorem property taxes saved for that year will be recaptured pro rata by each taxing authority.

REQUIRED SUPPLEMENTARY INFORMATION

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 16,206,418	\$ 16,206,418	\$ 15,782,105	\$ (424,313)
Licenses and permits	45,000	45,000	48,663	3,663
Fines and forfeitures	561,800	561,800	610,073	48,273
Charges for services	2,492,498	2,492,498	2,466,876	(25,622)
Interest income	16,015	16,015	61,658	45,643
Intergovernmental	446,628	446,628	515,570	68,942
Contributions and donations	33,400	33,400	43,949	10,549
Other	305,541	305,541	297,501	(8,040)
Total revenues	<u>20,107,300</u>	<u>20,107,300</u>	<u>19,826,395</u>	<u>(280,905)</u>
Expenditures:				
Current:				
General government:				
Legislative	115,845	118,322	121,912	(3,590)
Executive	258,020	262,278	256,998	5,280
Board of elections	169,350	171,571	145,447	26,124
Human resources	228,073	230,280	222,002	8,278
Financial administration	524,362	524,362	482,274	42,088
Data processing	211,912	212,465	155,794	56,671
Tax commissioner	407,478	410,924	404,725	6,199
Public/General buildings	818,979	834,106	809,743	24,363
Customer service	979,623	880,059	245,126	634,933
Tax assessor	643,503	647,982	430,635	217,347
Risk management	20,000	20,000	321,619	(301,619)
Total general government	<u>4,377,145</u>	<u>4,312,349</u>	<u>3,596,275</u>	<u>716,074</u>
Judicial:				
Judicial administration	214,563	214,563	220,576	(6,013)
Superior court	210,849	210,849	306,920	(96,071)
Clerk superior court	584,703	592,366	593,479	(1,113)
District attorney	29,000	29,000	31,541	(2,541)
Magistrate court	231,508	238,783	236,009	2,774
Probate court	264,069	266,060	252,680	13,380
Total judicial	<u>1,534,692</u>	<u>1,551,621</u>	<u>1,641,205</u>	<u>(89,584)</u>
Public safety:				
Police	88,788	64,152	75,284	(11,132)
Fire	3,786,504	3,774,181	3,237,578	536,603
Sheriff	5,483,545	5,497,837	5,375,661	122,176
Emergency medical services	107,122	107,122	105,434	1,688
Coroner	56,823	56,823	48,611	8,212
Other protection	320,640	320,640	297,965	22,675
Total public safety	<u>9,843,422</u>	<u>9,820,755</u>	<u>9,140,533</u>	<u>680,222</u>
Public works:				
Public works administration	48,676	54,161	54,420	(259)
Highways and streets	1,191,597	1,191,597	1,113,079	78,518
Sanitation and wastewater	235,686	256,956	257,770	(814)
Total public works	<u>1,475,959</u>	<u>1,502,714</u>	<u>1,425,269</u>	<u>77,445</u>

(Continued)

LUMPKIN COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures: (Continued)				
Health and welfare:				
Health	\$ 209,199	\$ 209,199	\$ 209,299	\$ (100)
Welfare	15,000	15,000	15,000	-
Community services	489,071	506,858	462,021	44,837
Total health and welfare	<u>713,270</u>	<u>731,057</u>	<u>686,320</u>	<u>44,737</u>
Culture and recreation:				
Participant recreation	1,012,129	1,012,129	866,397	145,732
Library	400,000	400,000	400,000	-
Total culture and recreation	<u>1,412,129</u>	<u>1,412,129</u>	<u>1,266,397</u>	<u>145,732</u>
Housing and development:				
Conservation	57,028	57,139	57,946	(807)
Economic development	27,172	27,172	23,565	3,607
Total housing and development	<u>84,200</u>	<u>84,311</u>	<u>81,511</u>	<u>2,800</u>
Debt service:				
Principal	210,422	210,422	53,397	157,025
Interest	121,943	121,943	65,642	56,301
Total debt service	<u>332,365</u>	<u>332,365</u>	<u>119,039</u>	<u>213,326</u>
Total expenditures	<u>19,773,182</u>	<u>19,747,301</u>	<u>17,956,549</u>	<u>1,790,752</u>
Excess of revenues over expenditures	<u>334,118</u>	<u>359,999</u>	<u>1,869,846</u>	<u>1,509,847</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	30,000	30,000	109,370	79,370
Transfers in	-	-	4,042	4,042
Transfers out	(845,733)	(871,614)	(1,265,252)	(393,638)
Total other financing sources (uses)	<u>(815,733)</u>	<u>(841,614)</u>	<u>(1,151,840)</u>	<u>(310,226)</u>
Net change in fund balances	(481,615)	(481,615)	718,006	1,199,621
Fund balances, beginning of year	<u>6,331,732</u>	<u>6,331,732</u>	<u>6,331,732</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,850,117</u>	<u>\$ 5,850,117</u>	<u>\$ 7,049,738</u>	<u>\$ 1,199,621</u>

LUMPKIN COUNTY, GEORGIA

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

	2017	2016	2015
Total pension liability			
Service cost	\$ 178,104	\$ 155,942	\$ 148,305
Interest on total pension liability	328,874	283,967	246,481
Differences between expected and actual experience	42,009	88,048	-
Changes of assumptions	175,216	159,350	-
Benefit payments, including refunds of employee contributions	(146,542)	(114,386)	(98,269)
Net change in total pension liability	577,661	572,921	296,517
Total pension liability - beginning	4,204,986	3,632,065	3,335,548
Total pension liability - ending (a)	<u>\$ 4,782,647</u>	<u>\$ 4,204,986</u>	<u>\$ 3,632,065</u>
Plan fiduciary net position			
Contributions - employer	277,885	289,822	247,977
Net investment income	180,124	(3,783)	149,298
Benefit payments, including refunds of employee contributions	(146,542)	(114,386)	(98,269)
Administrative expenses	(31,535)	(28,468)	(26,949)
Other	-	(9,103)	2
Net change in plan fiduciary net position	279,932	134,082	272,059
Plan fiduciary net position - beginning	2,694,401	2,560,319	2,288,260
Plan fiduciary net position - ending (b)	<u>\$ 2,974,333</u>	<u>\$ 2,694,401</u>	<u>\$ 2,560,319</u>
County's net pension liability - ending (a) - (b)	<u>\$ 1,808,314</u>	<u>\$ 1,510,585</u>	<u>\$ 1,071,746</u>
Plan fiduciary net position as a percentage of the total pension liability	62.2%	64.1%	70.5%
Covered-employee payroll	\$ 5,493,661	\$ 5,319,203	\$ 5,086,023
County's net pension liability as a percentage of covered employee payroll	32.9%	28.4%	21.1%

Notes to the Schedule

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

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

	2017	2016	2015	2014
Actuarially determined contribution	\$ 317,767	\$ 277,885	\$ 249,652	\$ 247,977
Contributions in relation to the actuarially determined contribution	<u>317,767</u>	<u>277,885</u>	<u>289,822</u>	<u>247,977</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,170)</u>	<u>\$ -</u>
Covered-employee payroll	5,526,657	5,493,661	5,319,203	5,086,023
Contributions as a percentage of Covered-employee payroll	5.7%	5.1%	4.7%	4.9%

Notes to the Schedule

Valuation Date	January 1, 2016
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period.
Assumed Rate of Return	
On Investments	7.50%
Projected Salary Increases	3.5% - 5.5% (including 2.5% for inflation)
Cost-of-living Adjustment	2.5%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

Debt service Fund

Debt Service Fund – to account for the resources accumulated and payments made for principal and interest on the County's long-term general obligation debt of governmental funds.

LUMPKIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Special Revenue Funds						
	Drug Rehabilitation Fund	Law Library Fund	Emergency Telephone System Fund	Juvenile Services Fund	Confiscated Assets Fund	Special Programs Fund	Public Defender Fund
ASSETS							
Cash and cash equivalents	\$ 3,601	\$ 65,034	\$ -	\$ -	\$ 1,265	\$ 71,451	\$ 26,995
Receivables (net of allowance for uncollectibles)	58	-	95,292	-	-	-	5,500
Due from other funds	49,563	-	-	10,665	-	-	-
Prepaid items	-	-	7,602	-	-	-	29,015
Total assets	\$ 53,222	\$ 65,034	\$ 102,894	\$ 10,665	\$ 1,265	\$ 71,451	\$ 61,510
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ -	\$ 129	\$ 50,072	\$ -	\$ -	\$ 1,035	\$ 1,432
Due to other funds	-	-	-	-	-	15,861	3
Total liabilities	-	129	50,072	-	-	16,896	1,435
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	-	-	-	-	-
Unearned revenue - property taxes	-	-	-	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-	-	-
Unearned revenue - intergovernmental	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)							
Nonspendable:							
Prepaid items	-	-	7,602	-	-	-	29,015
Restricted for:							
Debt service	-	-	-	-	-	-	-
Public safety activities	53,222	-	45,220	-	1,265	54,555	-
Planning department operations	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Law library operations	-	64,905	-	-	-	-	-
Judicial activities	-	-	-	10,665	-	-	31,060
Tourism	-	-	-	-	-	-	-
Total fund balances (deficits)	53,222	64,905	52,822	10,665	1,265	54,555	60,075
Total liabilities, deferred inflows of resources, and fund balances	\$ 53,222	\$ 65,034	\$ 102,894	\$ 10,665	\$ 1,265	\$ 71,451	\$ 61,510

Capital Projects Funds								
Technology Fee Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Planning Fund	Capital Projects Fund	Local Roads Fund	Community Development Block Grant Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ 13,431	\$ -	\$ 126,669	\$ 554,774	\$ 462,941	\$ 550,042	\$ 1,000	\$ 2,179,208	\$ 4,056,411
-	72,743	16,930	31,083	-	-	-	30,646	252,252
11,088	-	-	-	-	-	-	-	71,316
-	-	-	7,781	-	-	-	-	44,398
<u>\$ 24,519</u>	<u>\$ 72,743</u>	<u>\$ 143,599</u>	<u>\$ 593,638</u>	<u>\$ 462,941</u>	<u>\$ 550,042</u>	<u>\$ 1,000</u>	<u>\$ 2,209,854</u>	<u>\$ 4,424,377</u>
\$ 2,006	\$ 6,441	\$ 39,187	\$ 20,108	\$ 110,055	\$ -	\$ -	\$ -	\$ 230,465
-	-	86,440	85,192	-	1,000	1,000	14,147	203,643
<u>2,006</u>	<u>6,441</u>	<u>125,627</u>	<u>105,300</u>	<u>110,055</u>	<u>1,000</u>	<u>1,000</u>	<u>14,147</u>	<u>434,108</u>
-	-	-	12,214	-	-	-	12,732	24,946
-	-	-	183,819	-	-	-	187,483	371,302
-	735	-	-	-	-	-	-	735
-	-	-	-	-	549,042	-	-	549,042
-	735	-	196,033	-	549,042	-	200,215	946,025
-	-	-	7,781	-	-	-	-	44,398
-	-	-	-	-	-	-	1,995,492	1,995,492
-	-	-	-	-	-	-	-	154,262
-	-	-	284,524	-	-	-	-	284,524
-	-	-	-	352,886	-	-	-	352,886
-	-	-	-	-	-	-	-	64,905
22,513	65,567	-	-	-	-	-	-	129,805
-	-	17,972	-	-	-	-	-	17,972
<u>22,513</u>	<u>65,567</u>	<u>17,972</u>	<u>292,305</u>	<u>352,886</u>	<u>-</u>	<u>-</u>	<u>1,995,492</u>	<u>3,044,244</u>
<u>\$ 24,519</u>	<u>\$ 72,743</u>	<u>\$ 143,599</u>	<u>\$ 593,638</u>	<u>\$ 462,941</u>	<u>\$ 550,042</u>	<u>\$ 1,000</u>	<u>\$ 2,209,854</u>	<u>\$ 4,424,377</u>

LUMPKIN COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue Funds						
	Drug Rehabilitation Fund	Law Library Fund	Emergency Telephone System Fund	Juvenile Services Fund	Confiscated Assets Fund	Special Programs Fund	Public Defender Fund
	Fund	Fund	Fund	Fund	Fund	Fund	Fund
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Fines and forfeitures	59,653	20,517	-	-	-	-	-
Charges for services	-	-	518,375	50	-	24,625	-
Interest income	-	-	-	-	12	122	302
Intergovernmental	-	-	-	-	-	-	269,493
Contributions and donations	-	-	-	-	-	37,835	-
Other revenues	-	-	-	-	-	-	-
Total revenues	59,653	20,517	518,375	50	12	62,582	269,795
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Judicial	50,000	17,676	-	-	-	-	397,080
Public safety	15,000	-	693,233	-	3,280	64,408	-
Public works	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	65,000	17,676	693,233	-	3,280	64,408	397,080
Excess (deficiency) of revenues over expenditures	(5,347)	2,841	(174,858)	50	(3,268)	(1,826)	(127,285)
Other financing sources (uses):							
Transfers in	-	-	144,681	-	-	3,000	124,684
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	144,681	-	-	3,000	124,684
Net change in fund balances	(5,347)	2,841	(30,177)	50	(3,268)	1,174	(2,601)
Fund balances, beginning of year	58,569	62,064	82,999	10,615	4,533	53,381	62,676
Fund balances, end of year	\$ 53,222	\$ 64,905	\$ 52,822	\$ 10,665	\$ 1,265	\$ 54,555	\$ 60,075

Capital Projects Funds								
Technology Fee Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Planning Fund	Capital Projects Fund	Local Roads Fund	Community Development Block Grant Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 220,515	\$ 371,736	\$ -	\$ -	\$ -	\$ 196,785	\$ 789,036
-	-	-	224,039	-	-	-	-	224,039
-	-	-	-	-	-	-	-	80,170
20,562	-	-	13,060	-	-	-	-	576,672
-	-	938	2,044	89	-	-	10,507	14,014
-	277,855	-	-	53,331	510,614	12,947	-	1,124,240
-	-	-	-	38,000	-	-	-	75,835
-	31,133	-	-	-	-	-	-	31,133
<u>20,562</u>	<u>308,988</u>	<u>221,453</u>	<u>610,879</u>	<u>91,420</u>	<u>510,614</u>	<u>12,947</u>	<u>207,292</u>	<u>2,915,139</u>
-	11,004	-	-	64,059	-	-	-	75,063
27,584	159,831	-	-	15,486	-	-	-	667,657
-	157,856	-	-	-	-	-	-	933,777
-	4,343	-	-	5,000	-	10,458	-	19,801
-	6,177	-	-	-	-	-	-	6,177
-	-	-	-	-	-	-	14,148	14,148
-	-	210,419	371,987	-	-	-	-	582,406
-	-	-	-	1,401,853	-	3,094	-	1,404,947
-	-	-	-	157,026	-	-	698,556	855,582
-	-	-	-	17,059	-	-	131,917	148,976
<u>27,584</u>	<u>339,211</u>	<u>210,419</u>	<u>371,987</u>	<u>1,660,483</u>	<u>-</u>	<u>13,552</u>	<u>844,621</u>	<u>4,708,534</u>
(7,022)	(30,223)	11,034	238,892	(1,569,063)	510,614	(605)	(637,329)	(1,793,395)
-	58,502	-	-	962,159	-	-	-	1,293,026
-	-	-	-	-	(510,614)	-	(58,725)	(569,339)
-	<u>58,502</u>	<u>-</u>	<u>-</u>	<u>962,159</u>	<u>(510,614)</u>	<u>-</u>	<u>(58,725)</u>	<u>723,687</u>
(7,022)	28,279	11,034	238,892	(606,904)	-	(605)	(696,054)	(1,069,708)
<u>29,535</u>	<u>37,288</u>	<u>6,938</u>	<u>53,413</u>	<u>959,790</u>	<u>-</u>	<u>605</u>	<u>2,691,546</u>	<u>4,113,952</u>
<u>\$ 22,513</u>	<u>\$ 65,567</u>	<u>\$ 17,972</u>	<u>\$ 292,305</u>	<u>\$ 352,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,995,492</u>	<u>\$ 3,044,244</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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 37,500	\$ 37,500	\$ 59,653	\$ 22,153
Total revenues	<u>37,500</u>	<u>37,500</u>	<u>59,653</u>	<u>22,153</u>
Expenditures:				
Current:				
Judicial	25,000	50,000	50,000	-
Public safety	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total expenditures	<u>40,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Net changes in fund balances	(2,500)	(27,500)	(5,347)	22,153
Fund balances, beginning of year	<u>58,569</u>	<u>58,569</u>	<u>58,569</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 56,069</u></u>	<u><u>\$ 31,069</u></u>	<u><u>\$ 53,222</u></u>	<u><u>\$ 22,153</u></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, 2017**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ 20,517	\$ (4,483)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>20,517</u>	<u>(4,483)</u>
Expenditures:				
Current:				
Judicial	25,000	25,000	17,676	7,324
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>17,676</u>	<u>7,324</u>
Net changes in fund balances	-	-	2,841	2,841
Fund balances, beginning of year	<u>62,064</u>	<u>62,064</u>	<u>62,064</u>	<u>-</u>
Fund balances, end of year	<u>\$ 62,064</u>	<u>\$ 62,064</u>	<u>\$ 64,905</u>	<u>\$ 2,841</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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 532,200	\$ 532,200	\$ 518,375	\$ (13,825)
Total revenues	<u>532,200</u>	<u>532,200</u>	<u>518,375</u>	<u>(13,825)</u>
Expenditures:				
Current:				
Public safety	820,376	820,376	693,233	127,143
Total expenditures	<u>820,376</u>	<u>820,376</u>	<u>693,233</u>	<u>127,143</u>
Deficiency of revenues over expenditures	<u>(288,176)</u>	<u>(288,176)</u>	<u>(174,858)</u>	<u>113,318</u>
Other financing sources:				
Transfers in	288,176	288,176	144,681	(143,495)
Total other financing sources	<u>288,176</u>	<u>288,176</u>	<u>144,681</u>	<u>(143,495)</u>
Net changes in fund balances	-	-	(30,177)	(30,177)
Fund balances, beginning of year	<u>82,999</u>	<u>82,999</u>	<u>82,999</u>	<u>-</u>
Fund balances, end of year	<u>\$ 82,999</u>	<u>\$ 82,999</u>	<u>\$ 52,822</u>	<u>\$ (30,177)</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, 2017**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,300	\$ 1,300	\$ 50	\$ (1,250)
Total revenues	<u>1,300</u>	<u>1,300</u>	<u>50</u>	<u>(1,250)</u>
Expenditures:				
Current:				
Judicial	1,300	1,300	-	1,300
Total expenditures	<u>1,300</u>	<u>1,300</u>	<u>-</u>	<u>1,300</u>
Net changes in fund balances	-	-	50	50
Fund balances, beginning of year	<u>10,615</u>	<u>10,615</u>	<u>10,615</u>	<u>-</u>
Fund balances, end of year	<u>\$ 10,615</u>	<u>\$ 10,615</u>	<u>\$ 10,665</u>	<u>\$ 50</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, 2017**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Interest income	-	-	12	12
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>12</u>	<u>(4,988)</u>
Expenditures:				
Current:				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>3,280</u>	<u>1,720</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,280</u>	<u>1,720</u>
Net changes in fund balances	-	-	(3,268)	(3,268)
Fund balances, beginning of year	<u>4,533</u>	<u>4,533</u>	<u>4,533</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,533</u>	<u>\$ 4,533</u>	<u>\$ 1,265</u>	<u>\$ (3,268)</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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 24,338	\$ 24,338	\$ 24,625	\$ 287
Interest income	-	-	122	122
Contributions and donations	30,000	50,000	37,835	(12,165)
Total revenues	<u>54,338</u>	<u>74,338</u>	<u>62,582</u>	<u>(11,756)</u>
Expenditures:				
Current:				
Public safety	54,338	78,338	64,408	13,930
Total expenditures	<u>54,338</u>	<u>78,338</u>	<u>64,408</u>	<u>13,930</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>(4,000)</u>	<u>(1,826)</u>	<u>2,174</u>
Other financing sources:				
Transfers in	-	4,000	3,000	(1,000)
Total other financing sources	<u>-</u>	<u>4,000</u>	<u>3,000</u>	<u>(1,000)</u>
Net changes in fund balances	-	-	1,174	1,174
Fund balances, beginning of year	<u>53,381</u>	<u>53,381</u>	<u>53,381</u>	<u>-</u>
Fund balances, end of year	<u>\$ 53,381</u>	<u>\$ 53,381</u>	<u>\$ 54,555</u>	<u>\$ 1,174</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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 269,492	\$ 269,492	\$ 269,493	\$ 1
Interest income	-	-	302	302
Total revenues	<u>269,492</u>	<u>269,492</u>	<u>269,795</u>	<u>303</u>
Expenditures:				
Current:				
Judicial	398,070	398,070	397,080	990
Total expenditures	<u>398,070</u>	<u>398,070</u>	<u>397,080</u>	<u>990</u>
Deficiency of revenues over expenditures	<u>(128,578)</u>	<u>(128,578)</u>	<u>(127,285)</u>	<u>1,293</u>
Other financing sources:				
Transfers in	124,685	124,685	124,684	(1)
Total other financing sources	<u>124,685</u>	<u>124,685</u>	<u>124,684</u>	<u>(1)</u>
Net changes in fund balances	(3,893)	(3,893)	(2,601)	1,292
Fund balances, beginning of year	<u>62,676</u>	<u>62,676</u>	<u>62,676</u>	<u>-</u>
Fund balances, end of year	<u>\$ 58,783</u>	<u>\$ 58,783</u>	<u>\$ 60,075</u>	<u>\$ 1,292</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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 20,562	\$ 10,562
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>20,562</u>	<u>10,562</u>
Expenditures:				
Current:				
Judicial	10,000	10,000	27,584	(17,584)
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>27,584</u>	<u>(17,584)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(7,022)</u>	<u>(7,022)</u>
Fund balances, beginning of year	<u>29,535</u>	<u>29,535</u>	<u>29,535</u>	<u>-</u>
Fund balances, end of year	<u>\$ 29,535</u>	<u>\$ 29,535</u>	<u>\$ 22,513</u>	<u>\$ (7,022)</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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 135,032	\$ 137,237	\$ 277,855	\$ 140,618
Other revenues	26,759	32,541	31,133	(1,408)
Total revenues	<u>161,791</u>	<u>169,778</u>	<u>308,988</u>	<u>139,210</u>
Expenditures:				
Current:				
General government	53,500	48,535	11,004	37,531
Health and welfare	-	6,200	6,177	23
Judicial	153,047	153,047	159,831	(6,784)
Public safety	18,502	36,377	157,856	(121,479)
Public works	-	4,400	4,343	57
Total expenditures	<u>225,049</u>	<u>248,559</u>	<u>339,211</u>	<u>(90,652)</u>
Deficiency of revenues over expenditures	<u>(63,258)</u>	<u>(78,781)</u>	<u>(30,223)</u>	<u>48,558</u>
Other financing sources:				
Transfers in	63,258	78,781	58,502	(20,279)
Total other financing sources	<u>63,258</u>	<u>78,781</u>	<u>58,502</u>	<u>(20,279)</u>
Net changes in fund balances	-	-	28,279	28,279
Fund balances, beginning of year	<u>37,288</u>	<u>37,288</u>	<u>37,288</u>	<u>-</u>
Fund balances, end of year	<u>\$ 37,288</u>	<u>\$ 37,288</u>	<u>\$ 65,567</u>	<u>\$ 28,279</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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Hotel/Motel taxes	\$ 148,150	\$ 148,150	\$ 220,515	\$ 72,365
Interest	45	45	938	893
Total revenues	<u>148,195</u>	<u>148,195</u>	<u>221,453</u>	<u>73,258</u>
Expenditures:				
Current:				
Housing and development	147,190	147,190	210,419	(63,229)
Total expenditures	<u>147,190</u>	<u>147,190</u>	<u>210,419</u>	<u>(63,229)</u>
Excess of revenues over expenditures	<u>1,005</u>	<u>1,005</u>	<u>11,034</u>	<u>10,029</u>
Other financing uses:				
Transfers out	(1,005)	(1,005)	-	1,005
Total other financing uses	<u>(1,005)</u>	<u>(1,005)</u>	<u>-</u>	<u>1,005</u>
Net changes in fund balances	-	-	11,034	11,034
Fund balances, beginning of year	<u>6,938</u>	<u>6,938</u>	<u>6,938</u>	<u>-</u>
Fund balances, end of year	<u>\$ 6,938</u>	<u>\$ 6,938</u>	<u>\$ 17,972</u>	<u>\$ 11,034</u>

**LUMPKIN COUNTY, GEORGIA
PLANNING FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 231,087	\$ 231,087	\$ 371,736	\$ 140,649
Licenses and permits	138,350	138,350	224,039	85,689
Charges for services	5,800	5,800	13,060	7,260
Interest income	200	200	2,044	1,844
Total revenues	<u>375,437</u>	<u>375,437</u>	<u>610,879</u>	<u>235,442</u>
Expenditures:				
Current:				
Housing and development	<u>375,437</u>	<u>375,437</u>	<u>371,987</u>	<u>3,450</u>
Total expenditures	<u>375,437</u>	<u>375,437</u>	<u>371,987</u>	<u>3,450</u>
Net changes in fund balances	-	-	238,892	238,892
Fund balances, beginning of year	<u>53,413</u>	<u>53,413</u>	<u>53,413</u>	<u>-</u>
Fund balances, end of year	<u>\$ 53,413</u>	<u>\$ 53,413</u>	<u>\$ 292,305</u>	<u>\$ 238,892</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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 195,500	\$ 195,500	\$ 196,785	\$ 1,285
Interest income	20,200	20,200	10,507	(9,693)
Total revenues	<u>215,700</u>	<u>215,700</u>	<u>207,292</u>	<u>(8,408)</u>
Expenditures:				
Current:				
Culture and recreation	-	-	14,148	(14,148)
Debt service:				
Principal	698,557	698,557	698,556	1
Interest	131,917	131,917	131,917	-
Total expenditures	<u>830,474</u>	<u>830,474</u>	<u>844,621</u>	<u>(14,147)</u>
Deficiency of revenues over expenditures	<u>(614,774)</u>	<u>(614,774)</u>	<u>(637,329)</u>	<u>(22,555)</u>
Other financing uses:				
Transfers out	-	-	(58,725)	(58,725)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(58,725)</u>	<u>(58,725)</u>
Net change in fund balances	(614,774)	(614,774)	(696,054)	(81,280)
Fund balances, beginning of year	<u>2,691,546</u>	<u>2,691,546</u>	<u>2,691,546</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,076,772</u>	<u>\$ 2,076,772</u>	<u>\$ 1,995,492</u>	<u>\$ (81,280)</u>

LUMPKIN COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<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>	
2003 SPLOST					
Debt service - Public Building Authority	\$ 15,750,000	\$ 20,202,939	\$ 19,577,628	\$ 625,311	\$ 20,202,939
2008 SPLOST					
Judicial Facilities	\$ 14,000,000	\$ 6,859,839	\$ 6,859,839	\$ -	\$ 6,859,839
Water & Sewer Infrastructure Expansion	4,000,000	358,103	350,880	7,223	358,103
Library Facilities	4,000,000	322,784	322,784	-	322,784
Roads & Bridges	3,000,000	2,978,493	2,978,493	-	2,978,493
Administrative Facilities	1,000,000	2,281,440	2,281,440	-	2,281,440
Public Safety Vehicles	1,376,000	1,433,437	1,433,437	-	1,433,437
Park & Recreation Facilities	1,000,000	1,115,265	1,115,265	-	1,115,265
Industrial Development Property	1,000,000	110,769	110,769	-	110,769
Fire Protection Facilities	600,000	123,474	123,474	-	123,474
Public Warning System	250,000	139,728	139,728	-	139,728
Public Works Equipment	250,000	188,172	188,172	-	188,172
E911 Equipment	240,000	213,754	213,754	-	213,754
City of Dahlonega Water Treatment Facilities	4,284,000	3,107,228	3,107,228	-	3,107,228
Total 2008 SPLOST	\$ 35,000,000	\$ 19,232,486	\$ 19,225,263	\$ 7,223	\$ 19,232,486
2014 SPLOST					
Lease Payments	\$ 5,100,000	\$ 5,100,000	\$ 2,363,928	\$ 786,923	\$ 3,150,851
Administration Facility Improvements	1,200,000	1,200,000	93,004	345,105	438,109
Public Facility Renovations/Vehicles	300,000	300,000	93,420	25,561	118,981
Animal Shelter Equipment/Facilities, and Vehicles	75,000	79,187	56,166	23,021	79,187
Clerk of Court Archives Upgrade	20,000	20,000	20,000	-	20,000
Economic Development	500,000	500,000	500,000	-	500,000
Board of Elections Upgrades	40,000	40,000	-	-	-
Emergency Services Equipment/Vehicles, Facility Renovations/Additions	1,485,000	1,485,000	443,244	419,801	863,045
Roads and Bridges Equipment, Vehicles, Resurfacing, Improvements	4,270,000	4,270,000	1,110,788	1,472,662	2,583,450
Lumpkin Co. Library	1,000,000	1,000,000	-	-	-
Recreation Equipment/Vehicles/Facilities	1,000,000	1,000,000	501,598	26,099	527,697
Senior Center Facilities	50,000	50,000	-	-	-
Sheriff's Department Equipment and Vehicles	360,000	361,667	168,705	192,962	361,667
Water Authority System Improvements	500,000	500,000	-	102,094	102,094
City of Dahlonega	3,000,000	3,000,000	1,383,515	535,943	1,919,458
Total 2014 SPLOST	\$ 18,900,000	\$ 18,905,854	\$ 6,734,368	\$ 3,930,171	\$ 10,664,539

2003 SPLOST Expenditures disbursed from Debt Service Fund \$ 625,311

Non-SPLOST expenditures*

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

Transfers in from other funds to offset project costs	541,565
Intergovernmental revenues	<u>212,227</u>
Total non-SPLOST expenditures	<u>753,792</u>

Total SPLOST Fund Expenditures \$ 4,691,186

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, 2017**

<u>ASSETS</u>	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total
Cash	\$ 1,284,193	\$ 25,269	\$ 208,794	\$ 37,615	\$ 26	\$ 1,555,897
Taxes receivable	2,006,332	-	-	-	-	2,006,332
Accounts receivable	-	18,858	-	-	-	18,858
Total assets	<u>\$ 3,290,525</u>	<u>\$ 44,127</u>	<u>\$ 208,794</u>	<u>\$ 37,615</u>	<u>\$ 26</u>	<u>\$ 3,581,087</u>
<u>LIABILITIES</u>						
Due to others	\$ 1,284,193	\$ 44,127	\$ 208,794	\$ 37,615	\$ 26	\$ 1,574,755
Uncollected taxes	2,006,332	-	-	-	-	2,006,332
Total liabilities	<u>\$ 3,290,525</u>	<u>\$ 44,127</u>	<u>\$ 208,794</u>	<u>\$ 37,615</u>	<u>\$ 26</u>	<u>\$ 3,581,087</u>

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017
<u>Tax Commissioner</u>				
ASSETS				
Cash	\$ 701,865	\$ 32,219,277	\$ (31,636,949)	\$ 1,284,193
Taxes receivable	2,300,199	14,453,532	(14,747,399)	2,006,332
Total assets	\$ 3,002,064	\$ 46,672,809	\$ (46,384,348)	\$ 3,290,525
LIABILITIES				
Due to others	\$ 701,865	\$ 32,219,277	\$ (31,636,949)	\$ 1,284,193
Uncollected taxes	2,300,199	14,453,532	(14,747,399)	2,006,332
Total liabilities	\$ 3,002,064	\$ 46,672,809	\$ (46,384,348)	\$ 3,290,525
<u>Sheriff</u>				
ASSETS				
Cash	\$ 25,822	\$ 378,426	\$ (378,979)	\$ 25,269
Accounts receivable	21,768	18,858	(21,768)	18,858
Total assets	\$ 47,590	\$ 397,284	\$ (400,747)	\$ 44,127
LIABILITIES				
Due to others	\$ 47,590	\$ 397,284	\$ (400,747)	\$ 44,127
Total liabilities	\$ 47,590	\$ 397,284	\$ (400,747)	\$ 44,127
<u>Clerk of Courts</u>				
ASSETS				
Cash	\$ 139,347	\$ 1,482,140	\$ (1,412,693)	\$ 208,794
Total assets	\$ 139,347	\$ 1,482,140	\$ (1,412,693)	\$ 208,794
LIABILITIES				
Due to others	\$ 139,347	\$ 1,482,140	\$ (1,412,693)	\$ 208,794
Total liabilities	\$ 139,347	\$ 1,482,140	\$ (1,412,693)	\$ 208,794

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017
<u>Probate Court</u>				
ASSETS				
Cash	\$ 24,701	\$ 650,946	\$ (638,032)	\$ 37,615
Total assets	\$ 24,701	\$ 650,946	\$ (638,032)	\$ 37,615
LIABILITIES				
Due to others	\$ 24,701	\$ 650,946	\$ (638,032)	\$ 37,615
Total liabilities	\$ 24,701	\$ 650,946	\$ (638,032)	\$ 37,615
<u>Magistrate Court</u>				
ASSETS				
Cash	\$ 716	\$ 4,954	\$ (5,644)	\$ 26
Total assets	\$ 716	\$ 4,954	\$ (5,644)	\$ 26
LIABILITIES				
Due to others	\$ 716	\$ 4,954	\$ (5,644)	\$ 26
Total liabilities	\$ 716	\$ 4,954	\$ (5,644)	\$ 26
<u>Total Agency Funds</u>				
ASSETS				
Cash	\$ 892,451	\$ 34,735,743	\$ (34,072,297)	\$ 1,555,897
Taxes receivable	2,300,199	14,453,532	(14,747,399)	2,006,332
Accounts receivable	21,768	18,858	(21,768)	18,858
Total assets	\$ 3,214,418	\$ 49,208,133	\$ (48,841,464)	\$ 3,581,087
LIABILITIES				
Due to others	\$ 914,219	\$ 34,754,601	\$ (34,094,065)	\$ 1,574,755
Uncollected taxes	2,300,199	14,453,532	(14,747,399)	2,006,332
Total liabilities	\$ 3,214,418	\$ 49,208,133	\$ (48,841,464)	\$ 3,581,087

COMPONENT UNIT – HOSPITAL AUTHORITY

LUMPKIN COUNTY, GEORGIA

STATEMENT OF CASH FLOWS COMPONENT UNIT - HOSPITAL AUTHORITY FOR THE YEAR ENDED DECEMBER 31, 2017

	Hospital Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	\$ (70,426)
Net cash used in operating activities	<u>(70,426)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>47,602</u>
Net cash provided by investing activities	<u>47,602</u>
Net decrease in cash and cash equivalents	(22,824)
Cash and cash equivalents:	
Beginning of year	<u>241,083</u>
End of year	<u><u>\$ 218,259</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	<u>\$ (70,426)</u>
Net cash used in operating activities	<u><u>\$ (70,426)</u></u>
NON-CASH INVESTING ACTIVITIES	
Unrealized gain on investments	<u><u>\$ 45,131</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> 89 - 95
-------------------------------	--------------------------------------

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity	96 - 100
-------------------------------	-----------------

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

Debt Capacity	101 - 104
----------------------------	------------------

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information	105 and 106
---	--------------------

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

Operating Information	107 - 109
------------------------------------	------------------

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

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

LUMPKIN COUNTY, GEORGIA

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities										
Net investment in capital assets	\$ 69,680	\$ 66,028	\$ 64,707	\$ 62,155	\$ 60,580	\$ 59,032	\$ 56,295	\$ 55,355	\$ 52,684	\$ 49,322
Restricted	5,034	6,605	6,103	6,115	6,628	7,765	9,352	9,243	11,484	11,484
Unrestricted	6,524	5,670	5,824	7,350	7,889	6,853	7,226	6,744	5,583	5,627
Total governmental activities net position	<u>\$ 81,238</u>	<u>\$ 78,303</u>	<u>\$ 76,633</u>	<u>\$ 75,620</u>	<u>\$ 75,097</u>	<u>\$ 73,650</u>	<u>\$ 72,873</u>	<u>\$ 71,342</u>	<u>\$ 69,751</u>	<u>\$ 66,433</u>
Business-type activities										
Net investment in capital assets	\$ 590	\$ 607	\$ 625	\$ 648	\$ 694	\$ 694	\$ 709	\$ 735	\$ 762	\$ 798
Unrestricted	(334)	(366)	(400)	(416)	(457)	(457)	(492)	(506)	(407)	(419)
Total business-type activities net position	<u>\$ 256</u>	<u>\$ 241</u>	<u>\$ 225</u>	<u>\$ 232</u>	<u>\$ 237</u>	<u>\$ 237</u>	<u>\$ 217</u>	<u>\$ 229</u>	<u>\$ 355</u>	<u>\$ 379</u>
Primary government										
Net investment in capital assets	\$ 70,271	\$ 66,635	\$ 65,332	\$ 62,803	\$ 61,274	\$ 59,726	\$ 57,004	\$ 56,090	\$ 53,446	\$ 50,120
Restricted	5,034	6,605	6,103	6,115	6,628	7,765	9,352	9,243	11,484	11,484
Unrestricted	6,189	5,304	5,424	6,934	7,432	6,396	6,734	6,238	5,176	5,208
Total primary government net position	<u>\$ 81,494</u>	<u>\$ 78,544</u>	<u>\$ 76,858</u>	<u>\$ 75,852</u>	<u>\$ 75,334</u>	<u>\$ 73,887</u>	<u>\$ 73,090</u>	<u>\$ 71,571</u>	<u>\$ 70,106</u>	<u>\$ 66,812</u>
Restatements	\$ -	\$ -	\$ -	\$ (1,039)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total primary government net position, after restatements	<u>\$ 81,494</u>	<u>\$ 78,544</u>	<u>\$ 76,858</u>	<u>\$ 74,813</u>	<u>\$ 75,334</u>	<u>\$ 73,887</u>	<u>\$ 73,090</u>	<u>\$ 71,571</u>	<u>\$ 70,106</u>	<u>\$ 66,812</u>

LUMPKIN COUNTY, GEORGIA

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
General government	\$ 4,614	\$ 4,270	\$ 4,358	\$ 3,900	\$ 3,964	\$ 3,714	\$ 3,144	\$ 3,210	\$ 2,843	\$ 3,437
Judicial system	2,317	2,348	2,262	2,372	2,119	2,375	2,673	2,585	2,403	2,476
Public safety	10,764	9,918	9,474	9,691	9,151	9,235	8,965	9,004	7,958	9,260
Public works	3,055	3,162	2,723	2,960	2,688	2,472	2,614	2,604	2,450	1,182
Health and welfare	734	690	723	666	628	589	595	613	654	1,045
Culture and recreation	1,511	1,405	1,363	1,336	1,235	955	1,014	1,334	1,336	1,450
Housing and development	668	511	962	412	432	426	421	424	458	705
Interest on long-term debt	394	477	470	519	473	863	917	998	750	1,064
Total governmental activities expenses	<u>24,058</u>	<u>22,781</u>	<u>22,336</u>	<u>21,857</u>	<u>20,690</u>	<u>20,629</u>	<u>20,343</u>	<u>20,772</u>	<u>18,852</u>	<u>20,619</u>
Business-type activities:										
Solid Waste	112	110	123	100	109	134	94	225	119	133
Total business-type activities expenses	<u>112</u>	<u>110</u>	<u>123</u>	<u>100</u>	<u>109</u>	<u>134</u>	<u>94</u>	<u>225</u>	<u>119</u>	<u>133</u>
Total primary government expenses	<u>\$ 24,169</u>	<u>\$ 22,891</u>	<u>\$ 22,459</u>	<u>\$ 21,956</u>	<u>\$ 20,799</u>	<u>\$ 20,763</u>	<u>\$ 20,437</u>	<u>\$ 20,997</u>	<u>\$ 18,971</u>	<u>\$ 20,752</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 891	\$ 971	\$ 781	\$ 764	\$ 778	\$ 1,072	\$ 1,018	\$ 1,177	\$ 895	\$ 1,278
Judicial system	1,003	932	1,026	1,000	1,001	619	675	771	682	726
Public safety	1,928	1,776	2,234	2,184	2,013	1,974	2,423	1,921	2,030	1,172
Public works	1	1	2	1	1	30	51	53	49	1
Health and welfare	25	30	23	27	40	58	42	52	2	20
Culture and recreation	250	245	234	232	231	-	22	216	262	318
Housing and development	237	203	140	126	122	109	77	96	120	240
Operating grants and contributions	1,175	1,146	1,296	1,147	977	1,287	1,555	1,567	1,276	1,541
Capital grants and contributions	1,409	1,296	1,830	426	748	583	17	54	202	194
Total governmental activities program revenues	<u>6,920</u>	<u>6,600</u>	<u>7,568</u>	<u>5,907</u>	<u>5,911</u>	<u>5,732</u>	<u>5,880</u>	<u>5,907</u>	<u>5,518</u>	<u>5,490</u>
Business-type activities:										
Charges for services:										
Solid waste	131	34	35	32	45	115	15	15	20	61
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	13	-	-	-	-
Total business-type activities program revenues	<u>131</u>	<u>34</u>	<u>35</u>	<u>32</u>	<u>45</u>	<u>128</u>	<u>15</u>	<u>15</u>	<u>20</u>	<u>61</u>
Total primary government program revenues	<u>\$ 7,051</u>	<u>\$ 6,634</u>	<u>\$ 7,603</u>	<u>\$ 5,939</u>	<u>\$ 5,956</u>	<u>\$ 5,860</u>	<u>\$ 5,895</u>	<u>\$ 5,922</u>	<u>\$ 5,538</u>	<u>\$ 5,551</u>
Net (expense)/revenue										
Governmental activities	\$ (17,138)	\$ (16,181)	\$ (14,768)	\$ (15,949)	\$ (14,779)	\$ (14,897)	\$ (14,463)	\$ (14,865)	\$ (13,334)	\$ (15,129)
Business-type activities	19	(76)	(88)	(68)	(64)	(6)	(79)	(210)	(99)	(72)
Total primary government net expense	<u>\$ (17,119)</u>	<u>\$ (16,257)</u>	<u>\$ (14,856)</u>	<u>\$ (16,017)</u>	<u>\$ (14,843)</u>	<u>\$ (14,903)</u>	<u>\$ (14,542)</u>	<u>\$ (15,075)</u>	<u>\$ (13,433)</u>	<u>\$ (15,201)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 12,191	\$ 10,626	\$ 9,334	\$ 9,595	\$ 9,553	\$ 8,818	\$ 9,047	\$ 9,850	\$ 9,841	\$ 9,708
Sales taxes	6,130	5,681	5,756	5,468	5,191	5,471	5,358	5,195	5,324	5,777
Insurance premium taxes	1,479	1,381	1,298	1,212	1,148	1,105	1,034	828	852	864
Other taxes	193	203	229	230	222	188	227	219	185	223
Unrestricted investment earnings	76	52	35	45	161	318	394	448	511	732
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	14	30
Transfers	4	(92)	(81)	(79)	(48)	(26)	(66)	(84)	(76)	(57)
Total governmental activities	<u>20,074</u>	<u>17,851</u>	<u>16,571</u>	<u>16,471</u>	<u>16,227</u>	<u>15,874</u>	<u>15,994</u>	<u>16,456</u>	<u>16,651</u>	<u>17,277</u>
Business-type activities:										
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(4)	92	81	79	48	26	66	84	75	57
Total business-type activities	<u>(4)</u>	<u>92</u>	<u>81</u>	<u>79</u>	<u>48</u>	<u>26</u>	<u>66</u>	<u>84</u>	<u>75</u>	<u>57</u>
Total primary government	<u>\$ 20,070</u>	<u>\$ 17,943</u>	<u>\$ 16,652</u>	<u>\$ 16,550</u>	<u>\$ 16,275</u>	<u>\$ 15,900</u>	<u>\$ 16,060</u>	<u>\$ 16,540</u>	<u>\$ 16,726</u>	<u>\$ 17,334</u>
Change in Net Position										
Governmental activities	\$ 2,935	\$ 1,670	\$ 1,803	\$ 522	\$ 1,448	\$ 977	\$ 1,531	\$ 1,591	\$ 3,317	\$ 2,148
Business-type activities	15	16	(7)	11	(16)	20	(13)	(126)	(24)	(15)
Total primary government	<u>\$ 2,950</u>	<u>\$ 1,686</u>	<u>\$ 1,796</u>	<u>\$ 533</u>	<u>\$ 1,432</u>	<u>\$ 997</u>	<u>\$ 1,518</u>	<u>\$ 1,465</u>	<u>\$ 3,293</u>	<u>\$ 2,133</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable:					
Prepaid items	570	567	481	678	355
Inventory	156	106	144	129	114
Assigned:					
Fire station construction	102	375	375	375	-
Use of reserves for subsequent budget	500	482	135	621	-
Unassigned	5,722	4,802	5,294	5,066	7,178
Total general fund	<u>\$ 7,050</u>	<u>\$ 6,332</u>	<u>\$ 6,429</u>	<u>\$ 6,869</u>	<u>\$ 7,647</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds (1)	-	-	-	-	-
Nonspendable:					
Prepaid items	44	44	40	80	47
Restricted for:					
Debt service	1,995	2,691	3,320	3,928	5,441
Capital projects	2,317	3,472	2,273	1,873	825
Public safety activities	154	190	203	133	148
Planning department operations	285	48	-	-	-
Law library operations	65	62	59	56	77
Judicial activities	130	111	176	110	119
Tourism	18	7	2	1	1
Assigned:					
Capital projects	-	-	-	11	-
Unassigned	-	-	(31)	(25)	(116)
Total all other governmental funds	<u>\$ 5,009</u>	<u>\$ 6,625</u>	<u>\$ 6,042</u>	<u>\$ 6,167</u>	<u>\$ 6,542</u>

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

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

	<u>2012</u>	<u>2011</u> (2)	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	-	\$ -	\$ 449	\$ 296	\$ 329
	-	-	5,439	4,993	3,550
	265	255	-	-	-
	117	86	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	6,464	6,516	-	-	-
	<u>\$ 6,846</u>	<u>\$ 6,857</u>	<u>\$ 5,888</u>	<u>\$ 5,289</u>	<u>\$ 3,879</u>
\$	-	\$ -	\$ 9,297	\$ 10,404	\$ 11,529
	-	-	512	314	351
	-	-	(320)	524	8,420
	41	35	-	-	-
	6,837	8,073	-	-	-
	432	549	-	-	-
	115	290	-	-	-
	-	-	-	-	-
	114	134	-	-	-
	180	165	-	-	-
	8	6	-	-	-
	-	-	-	-	-
	(204)	(128)	-	-	-
	<u>\$ 7,523</u>	<u>\$ 9,124</u>	<u>\$ 9,489</u>	<u>\$ 11,242</u>	<u>\$ 20,300</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues					
Taxes	\$ 19,948	\$ 17,869	\$ 16,845	\$ 16,440	\$ 16,123
Licenses and permits	273	231	177	163	164
Fines and forfeitures	690	640	657	597	528
Charges for services	3,044	2,840	3,362	3,384	3,292
Interest income	89	62	38	50	163
Intergovernmental	1,852	2,256	2,472	1,480	1,492
Contributions and donations	120	108	64	85	35
Miscellaneous	329	447	289	186	189
Total revenues	<u>26,344</u>	<u>24,453</u>	<u>23,903</u>	<u>22,385</u>	<u>21,986</u>
Expenditures					
General government	3,671	3,478	3,463	3,374	3,181
Judicial	2,309	2,337	2,292	2,374	2,117
Public safety	10,074	9,271	9,145	9,184	8,673
Public works	1,480	1,417	1,326	1,281	1,338
Health and welfare	699	651	696	633	595
Culture and recreation	1,281	1,188	1,153	1,124	1,033
Housing and development	664	500	962	415	418
Intergovernmental	638	500	515	775	640
Capital outlay (1)	4,628	3,815	3,155	1,651	1,611
Debt service					
Principal	1,544	1,343	1,294	2,135	1,796
Interest	367	396	440	515	524
Other charges	-	40	-	-	237
Total expenditures	<u>27,356</u>	<u>24,936</u>	<u>24,442</u>	<u>23,461</u>	<u>22,163</u>
Excess (deficiency) of revenues over (under) expenditures	(1,012)	(483)	(539)	(1,076)	(177)
Other financing sources (uses)					
Transfers in	1,839	1,822	2,178	2,100	1,173
Transfers out	(1,835)	(1,914)	(2,258)	(2,179)	(1,221)
Issuance of debt	-	1,035	-	-	9,835
Premium/discount on issuance of debt	-	-	-	-	43
Refunding payment to escrow agent	-	-	-	-	(9,835)
Sale of capital assets	109	26	55	2	-
Total other financing sources (uses)	<u>113</u>	<u>969</u>	<u>(26)</u>	<u>(77)</u>	<u>(5)</u>
Net change in fund balances	<u>\$ (899)</u>	<u>\$ 486</u>	<u>\$ (565)</u>	<u>\$ (1,153)</u>	<u>\$ (182)</u>
Debt service as a percentage of noncapital expenditures	8.5%	8.2%	8.1%	12.2%	12.6%
Total debt service expenditures	1,911	1,779	1,734	2,650	2,557
Total non-capital expenditures	22,404	21,595	21,275	21,724	20,306

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	15,655	\$ 15,557	\$ 16,292	\$ 15,718	\$ 15,908
	131	112	131	147	215
	577	608	660	606	616
	3,026	3,489	3,312	3,146	2,753
	321	397	456	511	732
	1,587	1,635	1,665	1,256	1,461
	85	69	111	222	229
	118	90	183	142	171
	<u>21,500</u>	<u>21,957</u>	<u>22,810</u>	<u>21,748</u>	<u>22,085</u>
	3,175	2,958	3,029	2,637	3,232
	2,374	2,252	2,585	2,386	2,470
	8,844	9,013	8,611	7,498	8,229
	1,128	1,194	1,056	1,092	1,331
	554	565	600	643	641
	760	826	1,138	1,144	1,309
	429	409	420	440	696
	467	574	504	517	-
	2,994	1,115	3,481	10,596	2,672
	1,502	1,440	1,434	1,306	1,378
	856	942	1,022	1,100	1,022
	-	-	-	-	270
	<u>23,083</u>	<u>21,288</u>	<u>23,880</u>	<u>29,359</u>	<u>23,250</u>
	(1,583)	669	(1,070)	(7,611)	(1,165)
	966	898	1,087	829	1,326
	(992)	(964)	(1,171)	(904)	(1,383)
	-	-	-	-	10,000
	-	-	-	-	(99)
	-	-	-	-	-
	-	-	-	39	49
	<u>(26)</u>	<u>(66)</u>	<u>(84)</u>	<u>(36)</u>	<u>9,893</u>
\$	<u>(1,609)</u>	<u>\$ 603</u>	<u>\$ (1,154)</u>	<u>\$ (7,647)</u>	<u>\$ 8,728</u>
	11.8%	12.1%	12.0%	13.2%	13.1%
	2,358	2,382	2,456	2,406	2,670
	19,997	19,638	20,401	18,253	20,399

LUMPKIN COUNTY, GEORGIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Insurance Premium Tax	Alcoholic Beverage Tax	Other Taxes	Total
2008	\$ 9,044	\$ 5,777	\$ 864	\$ 165	\$ 58	\$ 15,908
2009	9,357	5,324	852	159	26	15,718
2010	10,070	5,175	828	149	70	16,292
2011	8,927	5,370	1,034	152	74	15,557
2012	8,891	5,471	1,105	148	40	15,655
2013	9,562	5,191	1,148	157	65	16,123
2014	9,530	5,468	1,212	163	67	16,440
2015	9,562	5,756	1,298	164	66	16,845
2016	10,604	5,681	1,381	169	34	17,869
2017	12,146	6,130	1,479	160	33	19,948

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

LUMPKIN COUNTY, GEORGIA

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

Fiscal Year	Tax Year	Real Property				Personal Property			
		Residential	Commercial	Agricultural	Public Utilities	Motor Vehicles	Mobile Homes	Equipment	Other (1)
2009	2008	\$ 713,461,603	\$ 149,641,216	\$ 524,516,235	\$ 21,881,226	\$ 69,567,910	\$ 10,111,154	\$ 52,266,978	\$ 699,332
2010	2009	730,417,434	172,847,299	526,452,545	22,160,994	73,698,120	10,387,091	25,650,315 (2)	215,455
2011	2010	733,853,262	163,008,355	527,557,546	21,633,639	64,059,070	9,842,509	23,508,772	126,609
2012	2011	674,182,867	154,868,006	396,482,139	22,117,043	62,934,700	7,673,414	25,035,446	32,936
2013	2012	577,710,655	146,825,500	342,372,210	21,836,730	65,738,040	6,874,280	21,184,034	94,477
2014	2013	570,339,673	141,351,639	340,723,449	23,516,594	69,311,340	6,391,829	22,416,738	254,363
2015	2014	568,141,543	146,902,932	339,058,076	22,366,787	58,347,370	5,710,634	24,653,386	829,628
2016	2015	564,759,204	141,624,453	336,794,733	22,335,968	42,005,610	5,284,439	27,199,054	98,287
2017	2016	569,800,102	149,482,473	338,916,963	22,475,945	33,244,030	5,022,406	27,792,737	683,882
2018	2017	618,554,666	149,134,668	347,291,541	22,473,313	25,240,560	4,981,782	28,310,397	255,393

Source: Georgia Department of Revenue, Property Tax Division

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

- (1) Includes timber and heavy equipment.
- (2) Decrease is due to new exemptions giving \$100,000 off assessed values or \$250,000 off fair market values, as well as lost large manufacturing companies within the County.
- (3) Increase is due to the addition of the exemption for the elderly (65 and older) and disabled.

Less: Exemptions		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
Real	Personal				
\$ 263,318,330	\$ 6,240,595	\$ 1,272,586,729	6.893	\$ 3,181,466,823	40.00%
275,738,365	96,194,591 (3)	1,189,896,297	6.947	2,974,740,743	40.00%
289,980,685	108,375,389	1,145,233,688	7.318	2,863,084,220	40.00%
215,892,161	113,055,175	1,014,379,215	7.852	2,535,948,038	40.00%
184,407,536	113,687,442	884,540,948	8.962	2,211,352,370	40.00%
186,227,302	123,313,100	864,765,223	9.121	2,161,913,058	40.00%
189,156,111	128,159,260	848,694,985	9.160	2,121,737,463	40.00%
190,928,919	132,110,874	817,061,955	10.662	2,042,654,888	40.00%
193,433,964	138,581,869	815,402,705	12.180	2,038,506,763	40.00%
191,164,650	149,829,990	855,247,680	11.531	2,138,119,200	40.00%

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

Tax Year	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Lumpkin County rates										
Unincorporated	11.531	12.180	10.662	9.160	9.121	8.962	7.852	7.318	6.947	6.893
Incorporated	13.604	14.232	12.566	10.877	10.743	10.436	8.881	7.907	7.842	7.707
Special services (reservoir)	0.293	0.310	0.310	0.295	0.294	0.289	0.253	0.220	0.191	0.178
Special services (planning)	0.285	0.597	0.171	0.157	0.187	0.184	0.161	0.098	0.409	-
Municipal rates										
Dahlonega	6.589	6.781	5.781	4.739	4.739	4.656	4.212	3.988	3.950	3.950
Board of Education										
Maintenance & Operations	16.819	16.819	16.829	16.651	16.540	16.239	14.259	12.800	12.800	11.840
State of Georgia	0.000	0.000	0.050	0.100	0.150	0.200	0.250	0.250	0.250	0.250
Total Unincorporated	28.928	29.906	27.972	26.363	26.292	25.875	22.775	20.686	20.597	19.161
Total Incorporated	37.012	37.832	35.226	32.367	32.163	31.531	27.602	24.945	24.842	23.747

Source: Georgia Department of Revenue, Property Tax Division

LUMPKIN COUNTY, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
KOYO Bearings North America LLC	\$ 12,932,160	1	1.51 %	\$		%
Georgia Power Company	7,648,865	2	0.89	5,385,639	7	0.42
Roberta A Green, As Trustee of the Robi	5,420,700	3	0.63			
Dahlonega Student Housing Partners LLC	4,053,418	4	0.47			
Windstream Standard Inc.	4,481,906	5	0.52	6,208,766	5	0.49
Amicalola EMC	4,250,981	6	0.50	4,788,649	10	0.38
Dahlonega Group LLC	3,273,238	7	0.38			
HD Development of Maryland INC.	3,899,075	8	0.46	4,848,731	9	0.38
Dunn Betty L Trustee	5,718,010	9	0.67			
Wal-Mart Stores East LP	2,656,532	10	0.31			
Montalvina LLC				13,167,288	1	1.03
Forestar (USA) Real Estate Group Inc.				13,032,029	2	1.02
Timken US Corporation				9,554,125	3	0.75
Southern Cross Ranch LLC				8,850,636	4	0.70
Edna A Noblin Estate				6,199,048	6	0.49
Milson Group LLC				4,022,067	8	0.32
	<u>\$ 54,334,885</u>		<u>6.35 %</u>	<u>\$ 76,056,978</u>		<u>5.98 %</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>
2009	2008	\$ 8,148	\$ 6,268	76.93 %	\$ 1,881	\$ 8,147	99.99 %
2010	2009	7,966	6,400	80.34	1,568	7,965	99.99
2011	2010	7,682	6,435	83.77	1,263	7,681	99.99
2012	2011	7,674	6,600	86.00	1,094	7,673	99.99
2013	2012	7,527	6,698	88.99	871	7,526	99.99
2014	2013	7,493	6,475	86.41	889	7,364	98.28
2015	2014	7,487	6,739	90.01	365	7,104	94.88
2016	2015	8,550	7,573	88.57	970	8,543	99.92
2017	2016	9,834	8,769	89.17	946	9,715	98.79
2018	2017	9,906	9,077	91.63	-	9,077	91.63

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Capital Leases	Certificates of Participation	Revenue Bonds	Notes Payable			
2008	\$ -	\$ 9,630	\$ -	\$ 16,254	\$ 25,884	3.56 %	\$ 957
2009	-	9,503	-	15,083	24,586	3.22	893
2010	-	9,375	-	13,784	23,159	2.98	773
2011	-	9,242	-	12,484	21,726	2.71	723
2012	-	9,104	-	11,127	20,231	2.44	661
2013	-	-	9,520	9,686	19,206	2.26	621
2014	-	-	8,915	8,151	17,066	1.90	547
2015	-	-	8,301	7,467	15,768	1.90	502
2016	-	-	7,671	7,785	15,456	1.58	492
2017	-	-	7,032	6,876	13,908	1.34	423

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

(1) See the Schedule of Demographic and Economic Statistics within this section for personal income and population data.

LUMPKIN COUNTY, GEORGIA
RATIOS OF GENERAL OBLIGATION DEBT OUTSTANDING
LAST TEN YEARS
(amounts expressed in thousands)

Fiscal Year	General Obligation Debt	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2008	\$ 8,965	\$ 8,965	\$ -	-	-
2009	7,945	7,945	-	-	-
2010	6,855	6,855	-	-	-
2011	5,695	5,695	-	-	-
2012	4,460	4,460	-	-	-
2013	3,145	3,145	-	-	-
2014	1,740	1,740	-	-	-
2015	1,190	1,190	-	-	-
2016	610	610	-	-	-
2017	-	-	-	-	-

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

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

LUMPKIN COUNTY, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt limit	\$ 104,641	\$ 100,884	\$ 100,807	\$ 103,785
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 104,641</u>	<u>\$ 100,884</u>	<u>\$ 100,807</u>	<u>\$ 103,785</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$ 855,248
Add back: exempt real property	191,165
Total assessed value	<u>1,046,412</u>
Debt limit (10% of total assessed value)	104,641
Debt applicable to limit:	
General obligation debt	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 104,641</u>

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 105,099	\$ 106,895	\$ 123,027	\$ 143,522	\$ 146,563	\$ 153,591
-	-	-	-	-	-
<u>\$ 105,099</u>	<u>\$ 106,895</u>	<u>\$ 123,027</u>	<u>\$ 143,522</u>	<u>\$ 146,563</u>	<u>\$ 153,591</u>
0%	0%	0%	0%	0%	0%

LUMPKIN COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2008	27,056	\$ 727,084	\$ 26,873	32.5	3,732	11.1 %
2009	27,528	763,163	27,723	35.0	3,776	11.3
2010	29,966	776,536	25,914	34.8	3,836	10.8
2011	30,031	801,577	26,692	35.0	3,879	8.8
2012	30,611	828,043	27,051	36.0	4,248	9.1
2013	30,918	850,317	27,502	36.0	3,706	7.3
2014	31,176	898,545	28,822	36.1	3,652	6.6
2015	31,408	947,647	30,172	36.6	3,714	5.1
2016	31,445	980,941	31,195	36.8	3,808	4.4
2017	32,873	1,036,806	31,540	N/A	3,837	3.6

Data sources:

- (1) Bureau of the Census
- (2) Federal Bureau of Economic Analysis (amounts expressed in thousands)
- (3) School District
- (4) State Department of Labor

N/A - Not available.

LUMPKIN COUNTY, GEORGIA

PRINCIPAL EMPLOYERS

December 31, 2012

<u>Employer</u>	<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
University of North Georgia	699	1	5.90 %
Lumpkin Co. Board of Education	612	2	5.17
Lumpkin Co. Board of Commissioners	283	3	2.39
Wal-Mart	265	4	2.24
KOYO (formerly Timken US Corporation)	243	5	2.05
Chestatee Regional Hospital	220	6	1.86
Southern Switches	135	7	1.14
RefrigiWear, Inc.	112	8	0.95
The Home Depot	100	9	0.84
The Louver Shop	100	10	0.84
Mohawk Industries			
	<u>2,769</u>		<u>23.38 %</u>

Sources: State Department of Commerce.

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

LUMPKIN COUNTY, GEORGIA

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

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government	40	39	38	38	34	36	31	32	50	45
Public safety										
Sheriff										
Officers	59	59	59	59	69	62	80	84	72	72
Civilians	10	10	10	10	10	10	20	8	8	8
Emergency	10	10	10	10	9	2	2	2	2	2
Fire										
Firefighters and officers	36	36	36	36	31	36	30	34	31	26
Civilians	1	1	1	1	1	1	11	1	13	11
Judicial	20	19	19	19	19	21	15	24	26	20
Public works	20	19	18	18	18	19	23	17	15	22
Culture and recreation	16	16	16	16	12	4	5	9	6	11
Housing and development	-	-	-	-	-	-	-	1	1	1
Total	212	209	207	207	203	191	217	212	224	218

Source: County Budget Office

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Function										
Sheriff										
Traffic violations	1,792	1,526	958	1,257 (1)	2,842	2,534	2,857	3,458	4,072	N/A
Fire										
Number of calls answered	4,715	4,387	4,308	4,409	4,292	4,055	3,800	3,269	3,244	3,426
Inspections conducted	204	192	204	168	192	30*	12*	N/A	377	637
Highways and streets										
Street resurfacing (miles)	13	13	14	12	13	15	10	13	6	6
Sanitation										
Refuse collected (tons/day)	45	44	47	40	35	47	42	43	46	45
Recyclables collected (tons/day)	1	1	1	1	1	1.5	1	1	N/A	2

Source: County departments

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

N/A - Information is not available.

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

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

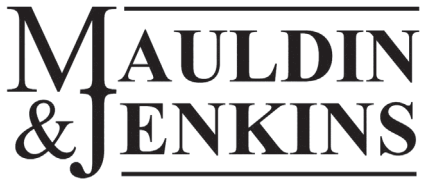
LUMPKIN COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government										
Buildings	16	16	16	16	16	16	13	13	13	13
Vehicles	6	5	5	6	6	5	5	5	5	5
Small equipment	29	29	29	27	26	26	25	25	25	25
Public safety										
Buildings	8	8	8	7	7	7	7	7	7	7
Vehicles										
Fire/pumper trucks	15	14	13	14	14	14	13	13	13	13
Other Fire Dept. vehicles	13	13	12	10	9	6	6	6	6	6
Ambulance/rescue	6	7	7	6	6	6	5	4	6	5
Sheriffs vehicles	64	67	60	63	61	48	53	51	46	46
Other public safety vehicles	2	3	3	4	4	4	3	3	3	3
Equipment	130	114	89	83	82	81	79	78	78	69
Judicial										
Small equipment	6	6	6	6	6	6	6	6	6	6
Public works										
Buildings	3	3	3	3	3	3	3	3	3	3
Vehicles										
Road Department	12	11	11	11	11	11	11	10	11	11
Building Inspector	7	7	7	6	6	6	6	6	6	6
Other	4	3	3	3	3	3	3	3	3	3
Small equipment	11	11	11	6	5	5	5	5	5	5
Heavy equipment	39	38	39	37	34	34	35	34	33	35
Health and welfare										
Buildings	3	3	3	3	3	3	3	3	2	2
Culture and recreation										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	5	5	3	5	4	3	4	4	4	5
Equipment	21	19	17	14	13	13	13	13	13	11

Source: Various County departments

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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lumpkin County, Georgia (the "County") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 5, 2018. Our report includes a reference to other auditors who audited the financial statements of the Lumpkin County Department of Public Health and the Development Authority of Lumpkin County, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2017-001 that we consider to be a material weakness.

Compliance and Other Matters

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

County's Response to Finding

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 5, 2018

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether
the financial statements audited were prepared
in accordance with GAAP:

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

yes no

Significant deficiencies identified?

yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

There was not an audit of major federal award programs for the fiscal year ended December 31, 2017
due to the total amount expended being less than \$750,000.

LUMPKIN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

**2017-001 Capital Asset Reporting
(Lumpkin County Water & Sewerage Authority)**

Criteria: Internal controls should be in place to ensure that the amounts reported in the Authority's financial statements for capital assets and accumulated depreciation are free of material misstatement.

Condition: Internal controls were not sufficient to detect certain misstatements in the reporting of the Authority's depreciation expense and accumulated depreciation.

Context/Cause: During our audit for the year ended December 31, 2017, we noted the Authority incorrectly recorded depreciation expense and accumulated depreciation in the general ledger. Management provided a capital asset roll-forward which listed out total activity in capital assets and depreciation expense for fiscal year 2017. We noted the depreciation expense on the roll-forward prepared by the Authority and subsequently the depreciation expense recorded in the general ledger did not agree to the current depreciation expense reported in the capital asset tracking system.

Effects: To properly record depreciation expense to match the capital asset tracking system (the subsidiary ledger), an audit adjustment totaling \$123,294 was required to correctly report the current year depreciation expense and the related accumulated depreciation for capital assets as of and for the year ended December 31, 2017.

Recommendation: We recommend management review the depreciation reports from its capital asset tracking system to ensure amounts are being properly calculated and recorded in the general ledger.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that amounts reported for capital assets are accurate and properly calculated.