

**GEORGIA MOUNTAINS  
REGIONAL COMMISSION  
Gainesville, Georgia**



**ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2011**

# **Georgia Mountains Regional Commission**



**Annual Report  
2010-2011**

# Georgia Mountains Regional Commission

## 2010-2011 Council



David Stovall  
Chairman



Sam Norton  
Vice-Chairman



L.J. Harrison  
Secretary

Charlie Auvermann	Lee Mulkey
Mike Berg	Sam Norton
Bill Black	Tom Oliver
Calvin Byrd	Ralph Owens
Rickey Cain*	Lamar Paris
William Chafin	Jerry Payne
Debbie Chisholm	Ralph Perry
Jim Conley	John Raber
Joan Crothers	Sammy Reece*
Rex Farmer	Dean Scarborough
Grover Garrett	Ron Seib
Leslie George	David Stovall
Katheryn Granberg	Annie Sutton
Mitch Griggs	Kevin Tallant
Helen Hardman*	Brian Tam*
L.J. Harrison	Audrey Turner
Tray Hicks	Travis Turner
J.B. Jones	Gerald Voyles
Bill Kendall	Will Wade
Paul Kreager	George Wangemann
Charlie Laughinghouse*	Douglas Wayne
Deborah Mack	Angela Whidby
James McCoy	

\*Served Partial Year

## Regional Solutions, Strategies, and Partnerships

### *The IMPACT of your GMRC*

- Received NADO Innovation Award for the Chestatee River Diving Bell Stabilization & Restoration Project.
- GMRC staff coordinated efforts of HB277 Transportation Investment Act for the Region.
- Economic Development staff administered 13 projects totaling \$14,226,571 in state and federal grant funds.
- GMRC staff helped to secure \$5,050,621 in grant & loan assistance for job creation initiatives, including infrastructure, business expansion, and tourism.
- GMRC staff monitored 33 TE projects for 22 local governments.
- A total of 261 new jobs and 384 retained jobs were supported as a result of projects.
- Assisted over 20 member governments with more than 30 different projects relating to historic preservation.
- Produced an award winning map for the Mountain Traveler magazine.
- GMRC received 4th Wellness Grant.
- GMRC staff performed two (2) DRI reviews and 11 local plan reviews.
- GMRC staff assisted 3 cities with reestablishing voter districts.
- GMRC staff assisted 2 cities and 1 county with Census 2010 population count appeals process.
- GMRC staff surveyed two communities' historic cemeteries.
- Administered 12 RLF projects with assets valued at a total of \$1,600,000.



# Chairman's Message

**GEORGIA MOUNTAINS  
REGIONAL COMMISSION**

**2010-2011**

My heartiest congratulations go to all of the Council and staff of the Georgia Mountains Regional Commission for a very successful year. We have had a lot of accomplishments in the past year, including more NADO recognitions for our projects, and successfully bidding to act as administrator for the regional Workforce Investment Program, along with our other projects for the 13 counties and 38 cities, and towns in our region.

Our Council's involvement is unrivaled by any of the Commissions in the state, and we continue to average over 75 in attendance at our Council meetings each month. I applaud and thank each of the members of the Council for your active participation in making our region stronger through the Georgia Mountains Regional Commission.

During the past year, we have seen our project list expand significantly, even in these troubled times, but our list of clients has also grown significantly in the process, primarily as we become the agent for the Workforce Investment Program. I ask that each Council member continue to listen for opportunities, and speak out loudly in your local communities when you hear or see of areas in which the Regional Commission can be of assistance. Your voices are continuing to be heard, as reflected in our project list, and those projects add to our already sound financial position at the Georgia Mountains Regional Commission.

It has indeed been an honor to serve as your Council Chairman this year, being my fourth year as your Chairman. I am even more humbled by your election of me for another two year term. Thank you for the opportunity to continue as your servant. Please do not hesitate to give me a call when I can be of assistance in regards to either the Commission or personally.

Best regards,

David Stovall  
Chairman  
Georgia Mountains Regional Commission Council



***Pictured L to R.*** Front row: Stephanie Harmon, Becky Sievers, Peggy Lovell, Faith Jones, Barbara Moseley, and Meisa Pace; Back row: Chip Wright, Adam Hazell, Betty Lewis, Danny Lewis, Heather Feldman, John Phillips, and David Sargent. (Staff photos taken at Cromer's Mill Covered Bridge, Franklin County, Georgia)

## Inside this issue:

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## Executive Director's Report

Last year, I closed by saying "the future should be great". It indeed looks as if this is a very reachable goal for the Georgia Mountains Regional Commission.

We are very fortunate to have both Governor and Mrs. Nathan Deal and Lt. Governor and Mrs. Casey Cagle as residents from our region (as well as our home county of the GMRC). I am not sure that has ever been reached in this state's history. In addition, Speaker of the House David Ralston represents a portion of our region.

Our Council is reflective of these three leaders of this great state. Not only are five of our Council appointees directly appointed by the top three leaders in the state, but many of our Council members are close personal friends with them. This gives us direct communication with state leadership.

Our staff has taken key statewide leadership roles in the state and the Appalachian Regional Commission. While we are changing our staff in one department, due to retirement, we have done an excellent job training subordinate staff to promote within by year's end.

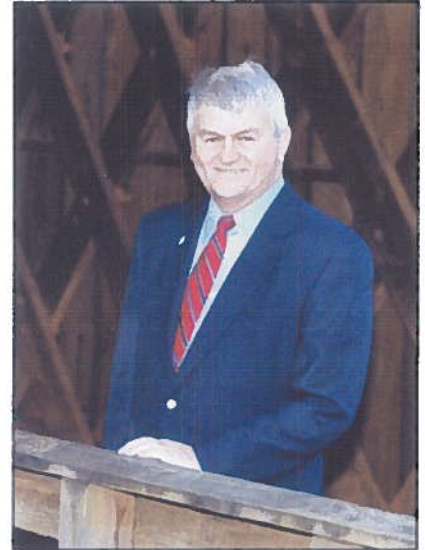
We will be adding staff by the beginning of 2012, and our goal is to promote from within, whenever possible. We have great employees, and we already know their ethics and strengths.

With our current Council and staff, I close by saying again, "our future at the GMRC is great".

Sincerely,



W. Danny Lewis  
Executive Director



# Economic Development

## Helping Local Communities Compete in the Global Market

The Economic and Community Development Department ended another successful year with 16 approved grant and loan applications totaling \$5,050,621 for member governments. Two (2) other grant applications were still pending approval at the end of the fiscal year. The department also administered 13 projects totaling \$14,226,571 during the last fiscal year. As a result of these projects, 261 jobs were created and 384 jobs were retained. In addition, \$159,310,536 in private investment was leveraged for these projects.

### Community Development Block Grants

A total of \$800,000 in CDBG funding was awarded for the following projects:

- **City of Cornelia** — Water Improvements
- **White County** — Senior Center



### OneGeorgia Grants Awarded

A total of \$855,535 in OneGeorgia Authority grant funding was awarded for the following projects:

- **Joint Development Authority of Franklin, Hart, & Stephens Counties** - Road Improvement Project for the Ty Cobb Regional Medical Center
- **Joint Development Authority of Banks, Habersham, & Rabun Counties** - Broadband for the Rabun County Business Park



**Pictured L to R:** David Sargent, Economic & Community Development Director; Heather Feldman, Economic Development Representative; and John Phillips, Economic Development Representative

### Appalachian Regional Commission

A total of \$1,023,223 in ARC funding was awarded for the following projects:

- **City of Dahlonega** — Diving Bell Display
- **City of Lavonia** — Depot Renovation Phase 2
- **Development Authority of Rabun County** — Business Park Improvements
- **City of Young Harris** — Sewer System Improvements
- **Union County Development Authority** — Blairsville Airport Regional Industrial Park (BARIP) Road Improvements
- **City of Demorest** — Sewer System Improvements



## Immediate Threat & Danger Grants Awarded

A total of \$73,363 in Immediate Threat & Danger funding was awarded to the following communities:

- **City of Dahlonega** — Sewer Improvements
- **Franklin County** — Water Improvements

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## CDBG — EIP Grant Awarded

**Franklin County** was awarded \$400,000 in Community Development Block Grant—Employment Incentive Program (CDBG-EIP) grant funding for road improvements to serve the new Ty Cobb Regional Medical Center.

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## Economic Development Administration Grant Awarded

The **City of Lavonia** was awarded \$756,000 in Economic Development Administration (EDA) grant funding for water and sewer infrastructure to serve the new Ty Cobb Regional Medical Center.

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## Regional Economic Business Assistance (REBA) Grant Awarded

A Regional Economic Business Assistance (REBA) grant in the amount of \$1,000,000 was awarded to the **Gainesville—Hall County Development Authority** for land acquisition and site preparation for development of the new ZF Wind Power, LLC plant.

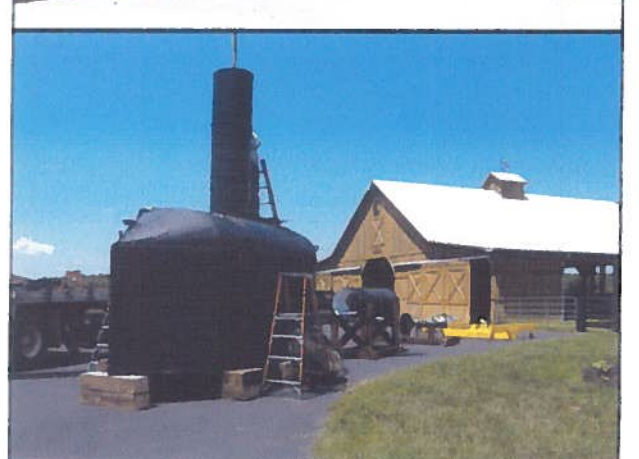
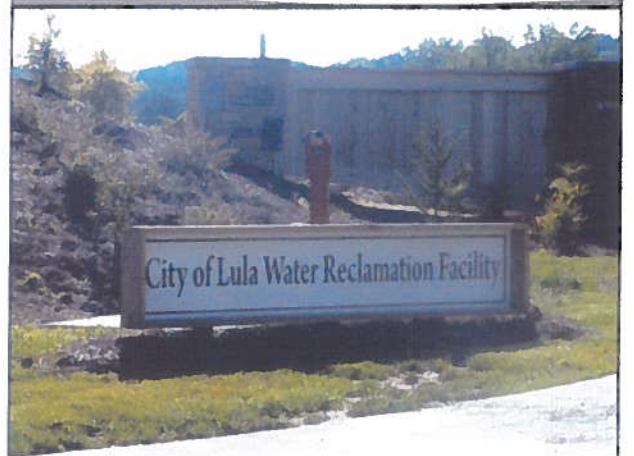
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## USDA—Rural Development Grant & Loan Awarded

The **City of Royston** received \$50,000 in grant and \$92,500 in loan funds from USDA—Rural Development to purchase a new garbage truck for the city.

### GRANT ADMINISTRATION

*The Economic Development Staff administered a total of 13 projects totaling \$14,226,571 in federal and state grant and loan funds.*

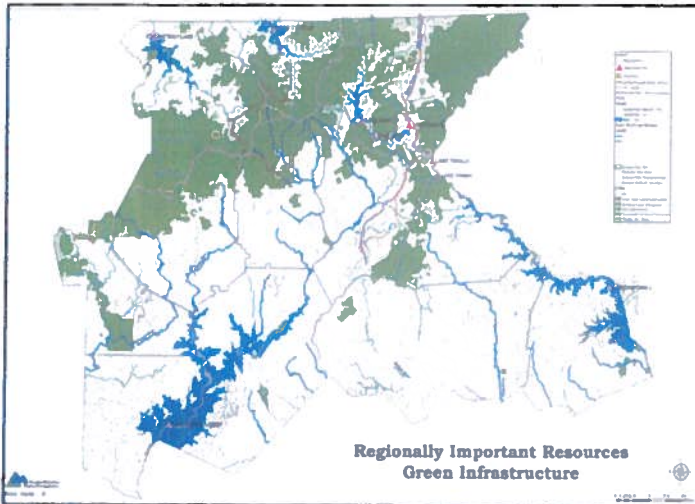




## Regional Plan Update

The GMRC is involved in the state required full update of the Georgia Mountains Regional Plan. During FY11, the Planning Department completed the Regional Resource Plan and the inventory and assessment of the region's natural and cultural resources. This element, which must be completed first within the planning process, was approved by DCA and adopted by the GMRC in late 2010.

The GMRC has since been developing the next component, the Regional Assessment, which provides an overview of information, issues and opportunities for all other basic plan elements, such as Housing, Economic Development, etc. The Regional Assessment will be reviewed and approved by DCA in late 2011, at which point the GMRC will begin the final phase of the process, the development of the forward thinking Regional Agenda, which will outline the vision and objectives for the Georgia Mountains Region over the next 20 years.



## Local Plan & DRI Reviews

During FY 2011, GMRC staff performed 2 Developments of Regional Impact Reviews and 11 local plan reviews for member governments.



**Pictured L to R:** Chip Wright, Regional Planner; Stephanie Harmon, Regional Planner; and Adam Hazell, Planning Director

## Local Comprehensive Planning

During the past fiscal year, GMRC served as the principal author or co-author for the following local plans:

### PLANS COMPLETED

- **Rabun County** Joint Partial Plan Update
- **Towns County** Joint Comprehensive Plan
- **City of Gainesville** Community Assessment
- **City of Oakwood** Community Assessment
- **Rabun County** Joint Solid Waste Management Plan

### PLANS IN PROGRESS

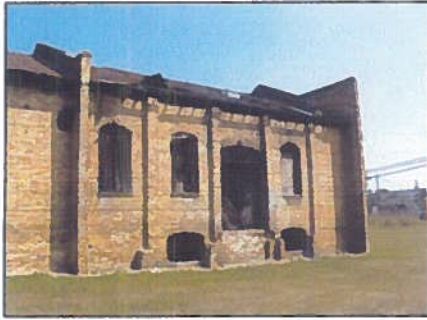
- **City of Lula** Comprehensive Plan
- **Union County** Joint Comprehensive Plan
- **Stephens County** Comprehensive Plan Amendments

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## Regional Plan Implementation

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As part of a broader effort to support tourism and historic preservation, the Planning Department completed a base level study of several of historic downtowns, such as **Clarksville** and **Hartwell**. By helping to identify and define the vital traits and characteristics of these downtowns, this study will be used to shape more direct efforts by the GMRC to help each individual community make the most of their preservation, tourism and community development efforts.



Another regional project included a partnership with the Appalachian Regional Commission (ARC) and the GMRC to assess older underutilized building types in the region for all buildings that are

3,500 square feet or more were considered top candidates for the project for their potential to be adapted to meet local and regional needs for quality overnight accommodations.

Seven property types were identified in six communities. In conjunction with a detailed rehabilitation plan, each property was photo-documented with graphic design plates to show the redevelopment potential of each.

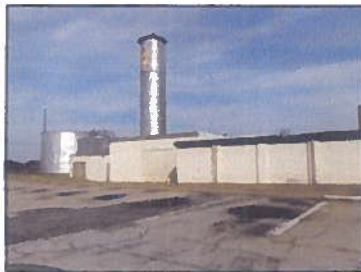
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## Community Design

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In 2011, the GMRC made community design planning a priority when developing conceptual plans for proposed local and inter-regional trails, commercial and industrial developments, telecommunication sites, historic downtowns, and scenic driving routes.

As part of the creation of an Opportunity Zone, the **City of Royston** is currently the focus of an urban redevelopment study that will address industrial, commercial, and residential sections of the city that have fallen into disrepair over the past fifty years. This effort will analyze the cause and effect of these occurrences and create a redevelopment strategy designed to reinvigorate the local economy and reestablish a sense of pride, appreciation, and reinvestment in these areas.



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## Hazard Mitigation Planning

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GMRC planning staff completed Hazard Mitigation Plan Updates for the following counties:

- **Hall County**
- **Union County**
- **Lumpkin County**

GMRC planning staff also began Hazard Mitigation Plan Update assistance for the following counties:

- **Banks**
- **Dawson**
- **Franklin**
- **Rabun**
- **Stephens**



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## Metropolitan River Protection Act (MRPA)

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The GMRC is a reviewing organization for developments within the MRPA corridor in **Forsyth County**, analyzing land disturbance activity within the designated 2,000' wide Chattahoochee

River corridor south of Buford Dam for compliance with State regulations for stream buffers and limitations on impervious surface area. Activity in this element was low due to the recession. GMRC staff assisted with 2 inquiries during FY11.

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## Total Maximum Daily Load

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For FY11, the GMRC continued the water sampling and testing for a segment of the Chattahoochee in **White County** and ET Creek in **Hall County**. These monitoring measures will be used in the development of Watershed Improvement Plans that EPD will use to guide any remediation activities required to improve water quality. A similar project has also begun for a portion of the Chestatee River in **Lumpkin County**, which will take place between April of 2011 and September of 2012. The GMRC staff also lent support to the completion of management plans for 2 of the 3 state identified Watershed Management Districts.



# Historic Preservation Highlights

In FY11, the GMRC assisted over 20 member governments with more than 30 different projects, including such themes as preservation workshops, archaeological surveys, maritime research, historic district assessments, and design assistance.

## Lavonia Southern Railway Depot

Phase I of the *Lavonia Southern Railway Depot Rehabilitation* started with the creation of a Historic Structure Report that analyzed the structural and historical integrity of the building and directed an extensive rehabilitation strategy that promotes inter-agency cooperation and creates local jobs. This phase was completed in 2011 and received much acclaim from local residents and community leaders. Throughout 2011 the GMRC has worked with the **City of Lavonia** to further address the design and rehabilitation strategy in preparation for the beginning of Phase II in January of 2012.



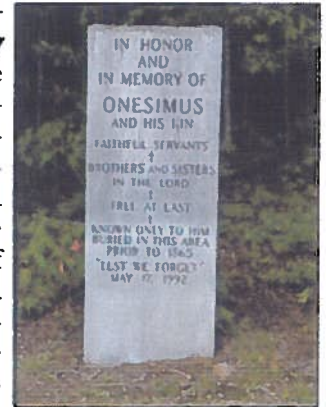
## Tallulah Falls Railroad

The GMRC continues to work with GDOT and local governments towards the preservation and eventual rail-to-trail redevelopment of this historic railroad corridor between **Cornelia**, GA and Franklin, NC. Historic architectural and viewshed assessments have been conducted within these communities by the GMRC in order to ascertain the number of historical, cultural, and archaeological sites that could be visited by patrons utilizing the proposed trail. In 2011 this process resulted in the completion of a National Register Nomination for Lakemont's historic commercial district, the development of a streetscape design and concept along **Clayton's** Savannah Street corridor and the proposed establishment of a historic district for the **City of Dillard**.



## Nacoochee Methodist African American Cemetery

In 2011 the GMRC was approached by **White County** on behalf of the Nacoochee Methodist Church to conduct an archaeological assessment and mapping project of its historic African American cemetery. The congregation was unsure of the number of burials within the tract and wanted to ensure that no graves would be impacted by future development activity adjacent to the site. Qualified GMRC staff established an open grid within the study area in order to establish reference controls for the field survey. Archaeological testing took place within each of the subsequent grid square with positive tests/burial locations being marked with orange pin flags. Once the area had been completely tested each recovered grave was located using state-of-the-art GPS equipment; the resulting coordinates were uploaded into the local Global Imaging System (GIS) database. This data was then overlaid atop high-resolution aerial photography to create a detailed site map. One-hundred-twenty previously unknown burials were located within the study area.



## Chestatee River Diving Bell



Following the stabilization and restoration of the historic Chestatee River Diving Bell, the **City of Dahlenoga** worked with the GMRC to locate a location to safely and permanently display the diving bell to the

public. A site was chosen within Hancock Park, an attractive greenspace in the downtown just a block away from the popular Gold Museum. Initial design plans for the venue were developed by the GMRC to provide a visual platform from which to further refine the design with local input. A **2011 NADO Innovation Award** was given for this project, submitted by Chip Wright.



## White County Bicycle & Pedestrian Plan

This document identified the most efficient network possible for the county as it works to provide more pedestrian corridors around **Cleveland** and **Helen**. The Plan will be used to coordinate infrastructure development and to guide State and federal assistance for these projects.

## Gainesville & Northwestern Railroad Trail & Greenway

GMRC planning staff began a feasibility study for Phase 1 of the Gainesville & Northwestern Railroad Trail and Greenway, a partial rails-to-trails project that will link **Gainesville** and **Cleveland**. Phase 1 features a corridor assessment, preliminary design and conceptual siting of trailheads and connections.

## Transportation Enhancement Grants

The Planning Department also assisted with the application process and administration of Transportation Enhancement (TE) projects. During FY11, the GMRC monitored 33 TE Projects spread across 22 local governments and 11 counties. GMRC planning staff also completed the following TE Applications approved for funding in FY11:

- **City of Blairsville**—Streetscape Phase II
- **City of Lavonia**—Downtown Streetscape Enhancement Phase II
- **City of Royston**—Downtown Streetscape Enhancement Phase III



## HB277: Transportation Investment Act



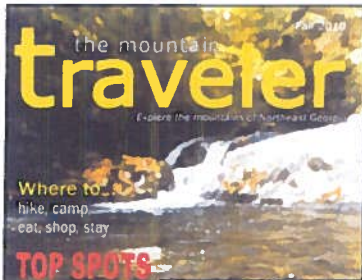
GMRC staff was charged by the Georgia Department of Transportation (GDOT) to coordinate educational efforts in the region and to assist in the formation of the TIA-mandated Regional Roundtable and Executive Committee. The Regional Roundtable is comprised of 2 representatives from each of the 13 counties; the chairman of the county commission (or sole commissioner) and one mayoral representative. The Executive Committee is comprised of 1 non-voting Chairman, 5 of the Regional Roundtable Members, 2 members of the Georgia House of Representatives and 1 State Senator.

On December 20, 2010 the Regional Roundtable met to prepare for their first official meeting by determining how selection of the Executive Committee would take place. At the first official meeting of the Regional Roundtable on January 5, 2011 the Regional Roundtable adopted guidelines and criteria for project selection. The number of projects to be included for the Constrained Project List will be determined by using projected sales tax revenue figures provided by GDOT.

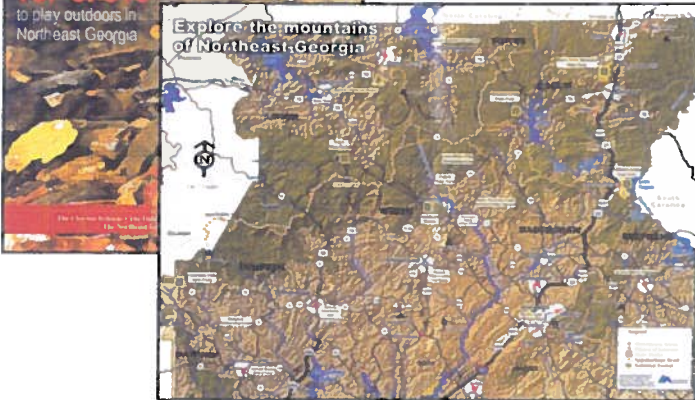
At least 5 TIA related meetings were held during FY 11, and by April 13, 2011, a total of 305 transportation projects were submitted from the 13 counties in the Georgia Mountains Region for consideration to be included on the Constrained Project List. GMRC staff received a revised list of 151 projects from GDOT on June 1, 2011. This final list will be used by the Executive Committee to create a Draft Constrained Project List to be submitted to the Regional Roundtable for final approval.



Reaching New Heights in Innovation—From the Ground Up



Faith Jones, Information Services Director



## Town of Mount Airy East View Cemetery

### The Mountain Traveler

GMRC staff produced a centerfold map for the Fall 2010 issue of the Mountain Traveler Magazine. The magazine is a publication of the Clayton Tribune, Dahlonega Nugget, Dawson News, Northeast Georgian and White County newspapers.

The map displayed downtown areas, places of interest, state parks and the Appalachian Trail. Tourists to the area and locals picked up the publication to find local businesses and tourism attractions. The same map was also entered into the GIS poster session at the 2010 GARC Conference in St Simons and won the People's Choice Award.

The purpose of this project was to perform a full inventory of marked and unmarked gravesites in the 5 acre East View Historic Cemetery. GMRC staff recorded information such as: Deceased Name, Date of Birth, Date of Death, Headstone Type, Headstone Material, Gravesite Condition, Military or Other Affiliation and captured a digital photo of the existing headstone. Over 450 known grave sites were inventoried during this project. During the archeological testing phase of the project, 169 unmarked graves were located.

### GARC Receives NADO Award

The Georgia Association of Regional Commissions received a 2011 Innovation Award from the National Association of Development Organizations (NADO) for establishing a regional ESRI Enterprise Licensing Agreement (ELA). The ELA will provide each Regional Commission advanced GIS capabilities for member governments.



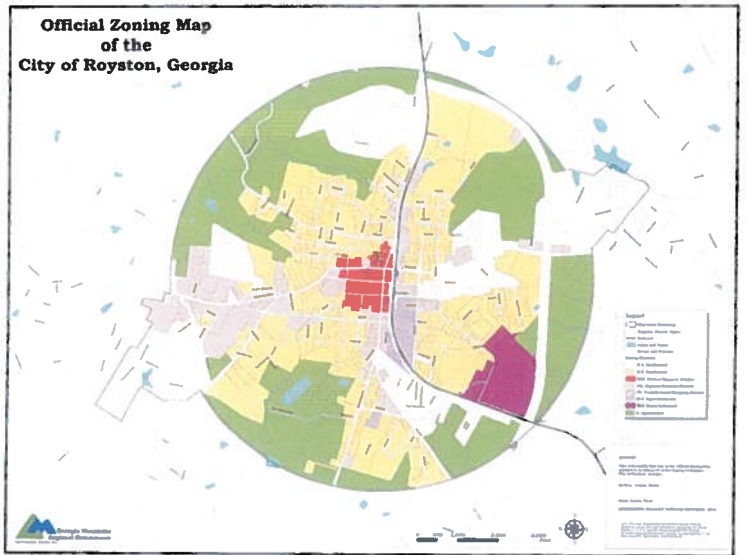
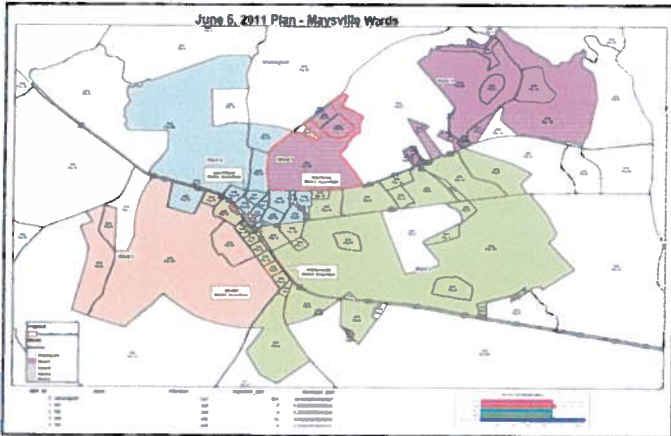
**Oldest Marked Grave:** Jacob Bellow, Born October 10, 1757, Died: January 13, 1866

**Oldest Marked Military Burial:** A. M. James, Company C, Whitehead's Battery, Georgia Militia, CONFEDERATE STATES OF AMERICA

**Other Significant Burial Designations:** Clergy – 2, World War II – 6, Korea – 4, Vietnam – 5, Gulf War – 3

## Voting Wards and Districts

In January 2011, the 2010 State of Georgia Census Redistricting Data (Public Law 94-171) Summary File was distributed by the US Census Bureau. Many of our member governments needed to adjust their voting districts or wards based on the population within the Census Blocks to account for one man, one vote. GMRC staff assisted three cities with that process: **Maysville**, **Cornelia** and **Lula**. These maps and accompanying data for each district will be submitted to the Department of Justice by their city attorneys.



## City of Royston Zoning Map Update and Future Land Use

**Royston's** Official Zoning Map was digitally amended with ten years of annexations and zoning changes. GMRC used the latest tax parcel datasets from **Franklin** and **Hart** counties, 2009 Aerial photography and Hart EMC road centerlines to create the above maps. These were adopted by the City Council.

## 2010 US Census Bureau Data for Georgia Mountains Region At A Glance

Source: 2010 Census Redistricting Data (Public Law 94-171)

	2000	2010	2010 Total Housing Units	2010 Occupied Housing Units	2010 Vacant Housing Units
<b>Banks</b>	14422	18395	7595	6700	895
<b>Dawson</b>	15999	22330	10425	8433	1992
<b>Forsyth</b>	98407	175511	64052	59433	4619
<b>Franklin</b>	20285	22084	10553	8540	2013
<b>Habersham</b>	35902	43041	18146	15472	2674
<b>Hall</b>	139277	179684	68825	60691	8134
<b>Hart</b>	22997	25213	13007	10121	2886
<b>Lumpkin</b>	21016	29966	12925	10989	1936
<b>Rabun</b>	15050	16276	12313	6780	5533
<b>Stephens</b>	25435	26175	12662	10289	2373
<b>Towns</b>	9319	10471	7731	4510	3221
<b>Union</b>	17289	21356	14052	9116	4936
<b>White</b>	19944	27144	16062	10646	5416
	455342	617646			





**Pictured L to R.** Betty Lewis, Part-Time Office Assistant; Becky Sievers, Finance Director; Peggy Lovell, Executive Assistant; Barbara Moseley, Fiscal Benefits Coordinator; and Meisa Pace, Administrative Assistant.

Georgia Mountains Regional Commissions is funded by federal, state, and local sources. Local dues paid by the 38 municipalities and 13 counties of the Georgia Mountains Region support local technical assistance to member governments. It also provides matching funds to assist the Regional Commission in obtaining and matching available federal and state grant.

## Revolving Loan Fund (RLF)

The Georgia Mountains Regional Commission continues to service the Economic Development Administration's (EDA) Revolving Loan Fund (RLF), which consists of 12 active loans. The RLF program's assets are \$1.6 million, which increased by \$28,220 in fiscal year 2011.

## FY 2011 Financial Highlights

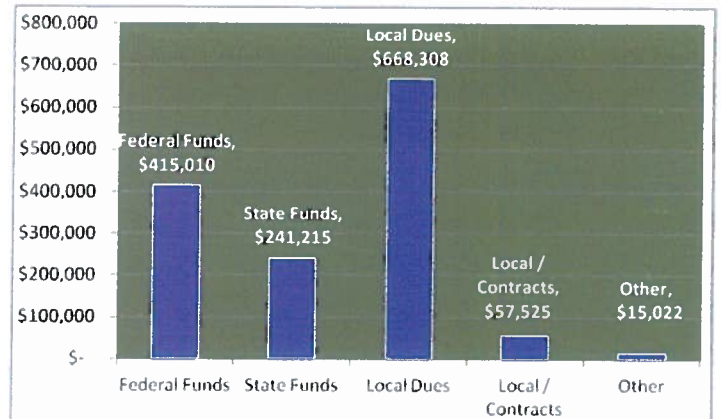
- The RC's total net assets exceeded its liabilities by \$2,302,232 for the fiscal year
- There was an increase in the RC's General Fund balance of \$168,701
- As of June 30, 2011, the RC's governmental funds reported combined ending fund balances of \$554,509 an increase of \$168,701 from the prior year. Of this amount, \$471,530 (unassigned funds) may be used to meet the RC's ongoing obligations to member governments and creditors

## GMRC Wellness Grant

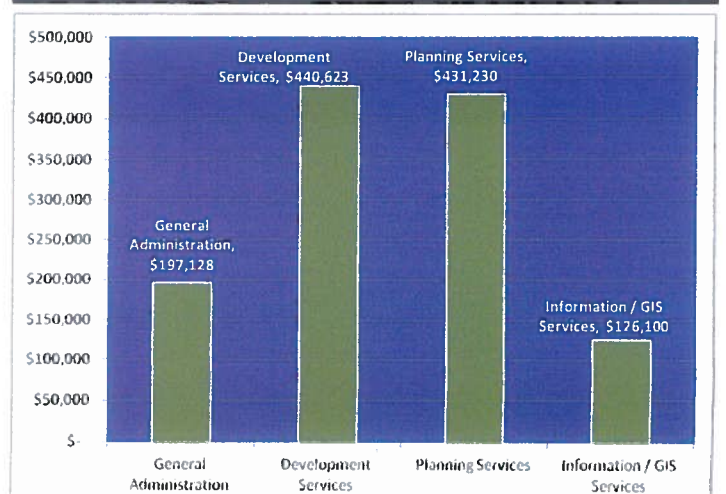
Once again, this year, the Georgia Mountains Regional Commission was awarded a \$2,000 Wellness Grant from the Local Government Risk Management Services, Inc. (LGRMS). This was the fourth grant the GMRC has received. The grant was used to promote more healthy habits to the GMRC Staff and we were very appreciative to continue a Wellness Program.

Sincere appreciation goes to the LGRMS for providing the grant, which allowed the staff to participate in the Wellness Program to improve employee's health and productivity in the workplace.

## FY 2011 Revenues



## FY 2011 Expenses



**Council Member of the Year**



***L.J. Harrison***  
Secretary

**Employee of the Year**



***Becky Sievers***  
GMRC Finance  
Director

**Appointed Official of the Year**



***Tim Martin***  
Stephens County  
Development  
Authority



**2010 Outstanding Service Awards**

**Elected Official of the Year**



***Mike Berg***  
Chairman, Dawson County  
Commission

**Chairman's Award**



***Ford Gravitt***  
Mayor, City of Cumming





**GEORGIA MOUNTAINS  
REGIONAL COMMISSION  
GAINESVILLE, GEORGIA**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2011**

GEORGIA MOUNTAINS  
REGIONAL COMMISSION

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REGIONAL COMMISSION

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**INDEPENDENT AUDITOR'S REPORT**

To the Council  
Georgia Mountains Regional Commission  
1310 W. Ridge Rd.  
Gainesville, Georgia 30501

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Georgia Mountains Regional Commission (the "RC") as of and for the fiscal year ended June 30, 2011, which collectively comprise the RC's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the RC's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the RC as of June 30, 2011, and the respective changes in financial position, cash flows, where applicable, and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds thereof for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2011, on our consideration of Georgia Mountains Regional Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 9 and the schedule of funding progress on page 48 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Georgia Mountains Regional Commission's basic financial statements. The combining nonmajor fund financial statements, individual nonmajor fund budgetary comparison schedules and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of Georgia Mountains Regional Commission. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Georgia Mountains Regional Commission. The combining nonmajor fund financial statements, the individual nonmajor fund budgetary comparison schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplemental schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clifton, Lippard, Hardison & Parker, LLC*

Macon, Georgia  
October 27, 2011



**MANAGEMENT'S DISCUSSION & ANALYSIS**



# GEORGIA MOUNTAINS REGIONAL COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

As management of the Georgia Mountains Regional Commission, we are pleased to provide this narrative discussion and analysis of the Georgia Mountains Regional Commission's (GMRC) financial performance, providing an overview of the Regional Commission's (RC) financial activities for the fiscal year ended June 30, 2011. Please read the information presented here in conjunction with the additional information that we have furnished in the RC's financial statements, which follow this narrative.

### **Financial Highlights**

- The RC's total net assets exceeded its liabilities by \$2,302,232 for the fiscal year reported.
- There was an increase in the RC's General Fund balance of \$168,701.
- As of June 30, 2011, the RC's governmental funds reported combined ending fund balances of \$554,509, an increase of \$168,701 from the prior year. Of this amount \$471,530 (unassigned funds) may be used to meet the RC's ongoing obligations to the member local governments and creditors.

The RC continues servicing the Economic Development Administration's (EDA) Revolving Loan Fund (RLF) which consists of twelve (12) active loans. The RLF program's net assets are \$1.6 million, which increased by \$28,220 in fiscal year 2011.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the RC's basic financial statements. The basic financial statements include: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. The RC also includes other supplementary information.

The RC's financial reporting entity includes the funds of the Georgia Mountains Regional Commission (primary government).

### ***Government-wide Financial Statements***

The government-wide statements report information about the RC as a whole, similar to those utilized by companies within the private sector. The *Statement of Net Assets* combines all of the assets and liabilities of the RC. In the same manner, the *Statement of Activities* presents all of the revenues and expenses of the RC, regardless of when cash is received or paid.

These two statements report the changes in net assets or the difference between the RC's assets and liabilities. Monitoring fluctuations in net assets is one way to evaluate the RC's financial position.

The government-wide financial statements reflect only governmental activities that are generally funded through member government dues, federal, state and contracts with local governments. The RC does maintain an internal service fund, which is utilized to aggregate pooled costs, which are allocated to various grants and contracts based upon the RC's cost allocation plan, which is reported as a governmental fund at the government-wide financial reporting level. Government activities include general government, planning services, information/ GIS services and economic development services.

GEORGIA MOUNTAINS REGIONAL COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

(CONTINUED)

The Statement of Net Assets and the Statement of Activities distinguish functions of the Georgia Mountains RC that are principally supported by Local Government Dues and Contracts/Grants (Governmental activity) from the RLF Loan Program (business-type activities).

The government-wide financial statements are presented on pages 10 and 11 of this report.

***Fund Financial Statements***

For our analysis of the RC's funds, the Fund Financial Statements provide more detailed information about individual funds and individual funds sources, rather than the RC as a whole. Some funds are required to be established by grant providers, federal and state laws, regulations, or other policies. Some funds are established for the RC's management and control purposes. The funds of the RC can be divided into two categories: governmental funds and proprietary funds.

***Governmental funds*** – The RC's basic services are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the RC's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources available. The relationship and differences between governmental activities (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental funds is reconciled at the bottom of the financial statements. Also, the budgetary comparison schedule for the *General Fund* is included in the basic financial statement.

The basic governmental fund financial statements are presented on pages 12 through 23 of this report.

The RC maintains the following governmental funds, the General Fund, Special Revenue funds and Internal Service Fund. The RC's Council approves an annual budget for its funds.

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

***Proprietary funds*** – The *Internal Service Fund* is used to accumulate and allocate cost among the grants and contracts in accordance with the RC's cost allocation plan. Because these costs are allocated to and benefit governmental functions, they are presented in governmental activities in the government-wide financial statements.

***Enterprise funds*** – The RC Revolving Loan Fund was originally capitalized with a \$500,000 grant to the former GMRDC from the Economic Development Administration (EDA) and a \$250,000 local government match from the former GMRDC in March 1987. The EDA Revolving Loan Fund (RLF) has \$1,619,131 in net assets at fiscal year end June 30, 2011.

The basic business-type fund financial statements are presented on pages 24 through 26 of this report.

GEORGIA MOUNTAINS REGIONAL COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

(CONTINUED)

*Notes to the Financial Statements*

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

**Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information concerning the RC's comparative balance sheets, comparative statements of revenues, expenditures and changes in fund balances and budget presentations. This information is included in order to meet certain state requirements as well as to provide individual grantors information pertaining to their grant or contract. As discussed, the RC reports major funds in the basic financial statements. Combining statements and individual comparative statements and schedules for some major funds and non-major funds are presented in this section of this report beginning on page 48.

**Additional Supplementary Information**

In addition to the basic financial statements, accompanying notes, and supplementary information this report also presents additional supplementary information concerning the RC's state compliance presentations. This information is included in order to meet certain state requirements as well as to provide individual grantors information pertaining to their grant or contract. As discussed, the RC reports major funds in the basic financial statements. State compliance schedules are presented in this section of this report beginning on page 100.

GEORGIA MOUNTAINS REGIONAL COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2011  
 (CONTINUED)

**Government-wide Financial Analysis**

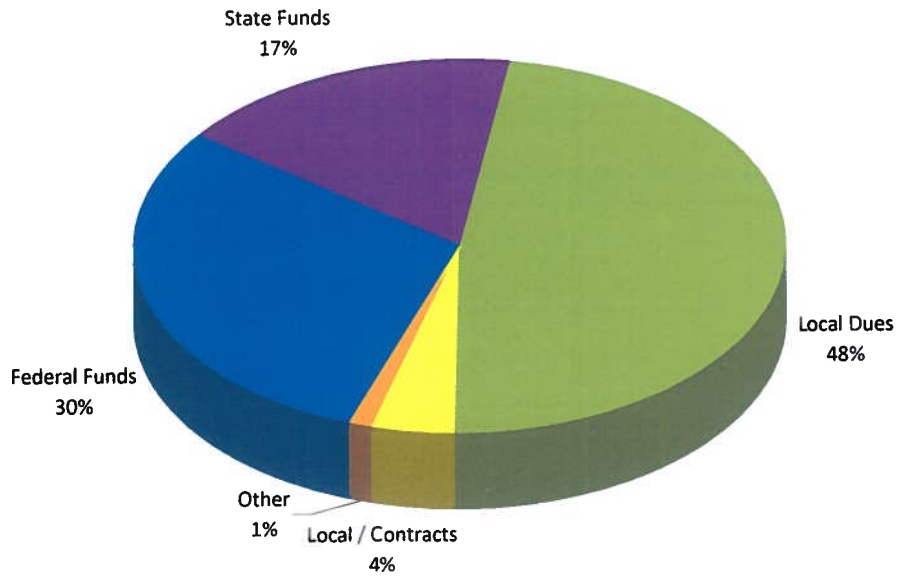
The following table presents a comparison between the current and preceding years' Statement of Net Assets:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 829,091	\$ 653,223	\$ 1,097,585	\$ 979,655	\$ 1,926,676	\$ 1,632,878
Long-term assets	119,604	3,939	524,873	614,205	644,477	618,144
Total assets	948,695	657,162	1,622,458	1,593,860	2,571,153	2,251,022
Current liabilities	222,896	214,922	3,327	2,949	226,223	217,871
Noncurrent liabilities	42,698	46,152	-	-	42,698	46,152
Total liabilities	265,594	261,074	3,327	2,949	268,921	264,023
Net assets:						
Invested in capital assets	8,794	3,939	-	-	8,794	3,939
Restricted	-	-	1,619,131	1,590,911	1,619,131	1,590,911
Unrestricted	674,307	392,149	-	-	674,307	392,149
Total net assets	\$ 683,101	\$ 396,088	\$ 1,619,131	\$ 1,590,911	\$ 2,302,232	\$ 1,986,999
Program revenues						
Charges for services	\$ 57,525	\$ 117,606	\$ 42,120	\$ 47,923	\$ 99,645	\$ 165,529
Operating grants	656,225	713,006	-	-	656,225	713,006
General Revenues						
Local City / County Dues	668,308	649,723	-	-	668,308	649,723
Interest	356	297	1,062	884	1,418	1,181
Miscellaneous Income	14,676	21,120	2,674	294	17,350	21,414
Total revenues	1,397,090	1,501,752	45,856	49,101	1,442,946	1,550,853
Program expenses						
General government	197,128	314,144	-	-	197,128	314,144
Planning services	431,230	410,657	-	-	431,230	410,657
Information / GIS services	440,623	262,436	-	-	440,623	262,436
Economic & Development services	126,100	509,222	-	-	126,100	509,222
Loans	-	-	17,636	6,674	17,636	6,674
Total program expenses	1,195,081	1,496,459	17,636	6,674	1,212,717	1,503,133
Change in net assets	202,009	5,293	28,220	42,427	230,229	47,720
Net assets, beginning of year, restated	481,092	390,795	1,590,911	1,548,484	2,072,003	1,939,279
Net assets, end of year	\$ 683,101	\$ 396,088	\$ 1,619,131	\$ 1,590,911	\$ 2,302,232	\$ 1,986,999

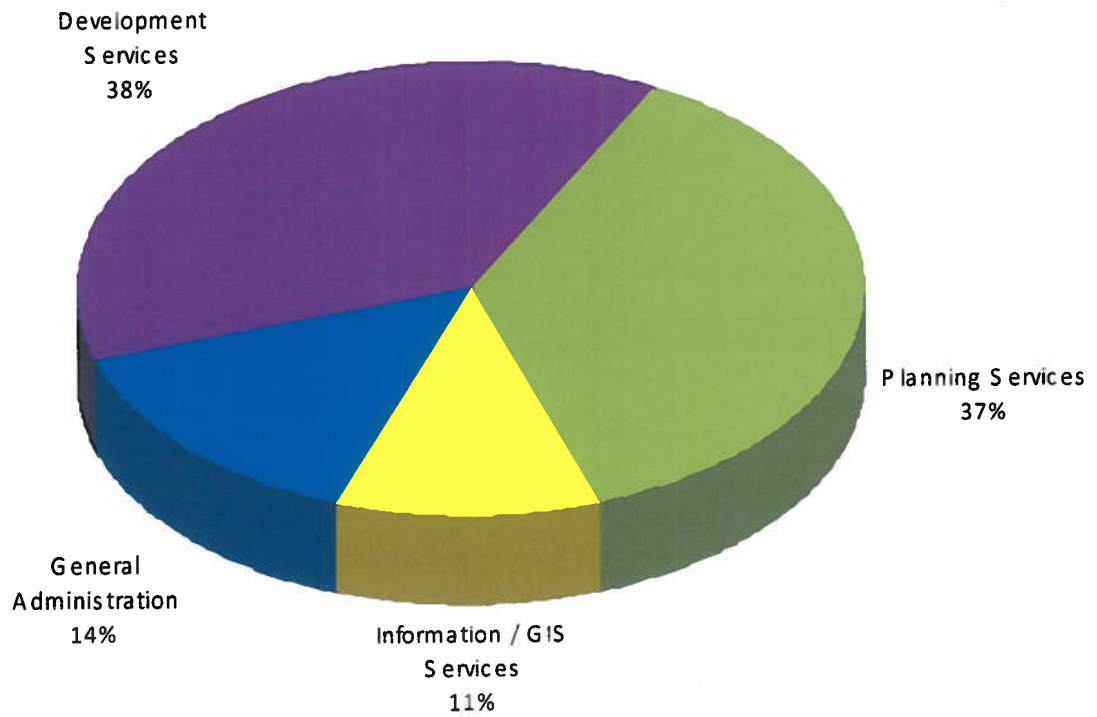
GEORGIA MOUNTAINS REGIONAL COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011  
(CONTINUED)

**Fiscal Year 2011 Revenues**



**Fiscal Year 2011 Expenses**



GEORGIA MOUNTAINS REGIONAL COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

(CONTINUED)

**Governmental funds**

The RC's governmental funds provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the RC's financing requirements. Specifically, unassigned fund balance may serve as a useful measure of the RC's net resources available for spending at the end of the fiscal year.

Of the total combined fund balance, approximately 85% consists of unassigned fund balance which serves as a measure of current available financial resources.

The assigned and nonspendable fund balances represents resources not available for spending. The RC's assigned and nonspendable fund balances represents 15% of the combined fund balance.

The RC's governmental funds reported a combined fund balance of \$554,509.

**Proprietary Funds**

As previously discussed, the RC maintains two proprietary funds, the Internal Service Fund and the RLF Fund. The Internal Service Fund is used to accumulate and allocate costs benefiting grants and contracts. The expenses are allocated based on an indirect cost allocation plan approved by the cognizant oversight agency, U.S. Department of Commerce. Indirect costs are allocated on the basis of direct salaries plus fringe benefits. The RLF Fund is used to accumulate and report the activities of the loan program.

**Budgetary Highlights**

Due to the fact the RC is mandated by state law to adopt its next year's budget before the end of the current year, the wide range of programs and services, the variety of grant start and end dates, and additional funding cuts or additional funding obtained by the RC, the original budget is adopted using known and conservative estimates. During the current fiscal year, the RC did not amend the General Fund budget which was under spent in the amount of \$92,996.

The General Fund budget complied with financial policies approved by the RC.

**Capital Assets**

The RC's investment in capital assets, net of accumulated depreciation, for government activities as of June 30, 2011 was \$8,794. The RC generally capitalizes assets with cost of \$5,000 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. See Note 4.D. for additional information about changes in capital assets during the fiscal year.

	June 30, 2011	June 30, 2010
Equipment, net	\$ -	\$ -
Vehicles, net	8,794	3,939
Total Capital Assets	<u>\$ 8,794</u>	<u>\$ 3,939</u>

GEORGIA MOUNTAINS REGIONAL COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

(CONTINUED)

**Economic Factors and Next Year's Budget**

The RC's funding level continues to change due to the level of Federal and State funding or appropriations for the services offered by the RC to assist its member governments. The dues assessment approved by the RC's Council remained at \$1.10 per capita for fiscal year 2011. The RC's dues are based on the most current Census estimates from the Georgia Department of Community Affairs.

The RC received over 47% of its income in FY2011 from Federal and State grants. In addition to the Federal and State grants, the RC received 43% of its income from local dues assessments. The RC continues to search for new funding opportunities to assist the cities and counties in our region.

**Contacting the RC's Financial Management**

This financial report is designed to provide a general overview of the RC's finances and to show the RC's accountability for the money it receives. If you have questions about this report or need additional information, contact the W. Danny Lewis, Executive Director at the Georgia Mountains Regional Commission, 1310 W. Ridge Rd., P.O. Box 1720, Gainesville, Georgia 30503.



**BASIC FINANCIAL STATEMENTS**



GEORGIA MOUNTAINS REGIONAL COMMISSION

STATEMENT OF NET ASSETS

JUNE 30, 2011

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 635,141	\$ 434,303	\$ 1,069,444
Receivables:			
Federal	69,897	-	69,897
State	103,841	-	103,841
City/County	15,232	-	15,232
Other	689	3,027	3,716
Prepaid expenses	4,291	-	4,291
Current portion of loans receivable	-	133,528	133,528
Restricted cash	-	526,727	526,727
<b>Total current assets</b>	<b>829,091</b>	<b>1,097,585</b>	<b>1,926,676</b>
<b>Long-term assets:</b>			
Other assets	110,810	-	110,810
Capital assets net of accumulated depreciation:			
Vehicles	8,794	-	8,794
Loans receivable	-	524,873	524,873
<b>Total Long-term assets</b>	<b>8,794</b>	<b>524,873</b>	<b>533,667</b>
<b>Total Assets</b>	<b>948,695</b>	<b>1,622,458</b>	<b>2,571,153</b>
<b><u>LIABILITIES</u></b>			
<b>Current Liabilities:</b>			
Accounts Payable	22,005	3,327	25,332
Accrued liabilities	119,634	-	119,634
Unobligated grant balance payable	3,996	-	3,996
Compensated absences payable	10,674	-	10,674
Unearned revenue	66,587	-	66,587
<b>Total current liabilities</b>	<b>222,896</b>	<b>3,327</b>	<b>226,223</b>
<b>Long-term Liabilities:</b>			
Compensated absences payable	42,698	-	42,698
<b>Total long-term liabilities</b>	<b>42,698</b>	<b>-</b>	<b>42,698</b>
<b>Total Liabilities</b>	<b>265,594</b>	<b>3,327</b>	<b>268,921</b>
<b><u>NET ASSETS</u></b>			
Invested in capital assets	8,794	-	8,794
Restricted net assets:			
Loans	-	1,619,131	1,619,131
Unrestricted	674,307	-	674,307
<b>Total Net Assets</b>	<b>\$ 683,101</b>	<b>\$ 1,619,131</b>	<b>\$ 2,302,232</b>

The accompanying notes are an integral part of these financial statements

GEORGIA MOUNTAINS REGIONAL COMMISSION

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Program Revenues						Net (Expense)/Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating		Capital Grants and Contributions	Primary Government		
			Grants and Contributions	Contributions		Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>								
Governmental Activities								
General government	\$ 197,128	\$ -	\$ 4,000	\$ -	\$ -	\$ (193,128)	\$ -	\$ (193,128)
Planning Services	431,230	12,021	328,262	-	-	(90,947)	-	(90,947)
Development Services	440,623	19,762	323,963	-	-	(96,898)	-	(96,898)
Information / GIS services	126,100	25,742	-	-	-	(100,358)	-	(100,358)
Total governmental services	<u>1,195,081</u>	<u>57,525</u>	<u>656,225</u>	<u>-</u>	<u>-</u>	<u>(481,331)</u>	<u>-</u>	<u>(481,331)</u>
Business-Type Activities								
Loans	17,636	42,120	-	-	-	-	24,484	24,484
Total business-type activities	<u>17,636</u>	<u>42,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,484</u>	<u>24,484</u>
Total Primary Government	<u>\$ 1,212,717</u>	<u>\$ 115,050</u>	<u>\$ 1,312,450</u>	<u>\$ -</u>	<u>\$ (481,331)</u>	<u>24,484</u>	<u>(456,847)</u>	
General Revenues								
Regional appropriations						668,308	-	668,308
Interest income						356	1,062	1,418
Miscellaneous Income						14,676	2,674	17,350
Total General Revenues						<u>683,340</u>	<u>3,736</u>	<u>687,076</u>
Change in Net Assets						202,009	28,220	230,229
Net Assets - Beginning of year, restated						481,092	1,590,911	2,072,003
Net Assets - End of year						<u>\$ 683,101</u>	<u>\$ 1,619,131</u>	<u>\$ 2,302,232</u>

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

GEORGIA MOUNTAINS REGIONAL COMMISSION

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

<u>ASSETS AND OTHER DEBITS</u>	General Fund	Planning Programs	DCA Programs
Cash and cash equivalents	\$ 635,141	\$ -	\$ -
Receivables			
Federal	-	8,354	-
State	-	-	103,841
City and County	-	4,850	-
Other	689	-	-
Interfund	175,139	-	-
Prepays	1,696	-	-
Total Assets	<u>\$ 812,665</u>	<u>\$ 13,204</u>	<u>\$ 103,841</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 13,812	\$ -	\$ -
Accrued liabilities	119,634	-	-
Unobligated grant balance payable	-	-	-
Deferred revenue	4,579	5,542	-
Interfund payables	120,131	7,662	103,841
Total Liabilities	<u>258,156</u>	<u>13,204</u>	<u>103,841</u>
 <u>Fund Balance:</u>			
Nonspendable	1,696	-	-
Assigned	81,283	-	-
Unassigned	471,530	-	-
Total Fund Balance	<u>554,509</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 812,665</u>	<u>\$ 13,204</u>	<u>\$ 103,841</u>

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

GEORGIA MOUNTAINS REGIONAL COMMISSION

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

DOT Programs	ARC Programs	EDA Programs	Information/ GIS Services	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 635,141
18,443	4,980	1,431	-	36,689	69,897
-	-	-	-	-	103,841
-	-	-	5,396	4,986	15,232
-	-	-	-	-	689
-	41,663	7,781	-	3,525	228,108
-	-	-	-	-	1,696
<u>\$ 18,443</u>	<u>\$ 46,643</u>	<u>\$ 9,212</u>	<u>\$ 5,396</u>	<u>\$ 45,200</u>	<u>\$ 1,054,604</u>
\$ -	\$ 24	\$ 137	\$ -	\$ 635	\$ 14,608
-	-	-	-	-	119,634
-	3,996	-	-	-	3,996
-	42,623	9,075	1,243	3,525	66,587
18,443	-	-	4,153	41,040	295,270
<u>18,443</u>	<u>46,643</u>	<u>9,212</u>	<u>5,396</u>	<u>45,200</u>	<u>500,095</u>
-	-	-	-	-	1,696
-	-	-	-	-	81,283
-	-	-	-	-	471,530
-	-	-	-	-	554,509
<u>\$ 18,443</u>	<u>\$ 46,643</u>	<u>\$ 9,212</u>	<u>\$ 5,396</u>	<u>\$ 45,200</u>	<u>\$ 1,054,604</u>

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

GEORGIA MOUNTAINS REGIONAL COMMISSION

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2011

Total Fund Equity per Balance Sheet of Governmental Funds	\$ 554,509
Amounts reported for governmental activities in the Statement of Net Assets differ from amounts reported in the Balance Sheet of Governmental funds due to the following:	
<u>Internal Service</u>	
Internal service funds are used by management to charge the costs of administration to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	71,154
Net pension asset is not available during the current period and therefore, is not reported in the funds.	
Other assets	110,810
<u>Compensated Absences</u>	
Compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(53,372)</u>
Total Net Assets of Governmental Activities	<u>\$ 683,101</u>

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

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GEORGIA MOUNTAINS REGIONAL COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Planning Programs	DCA Programs	DOT Programs	ARC Programs	EDA Programs	Information / GIS Services	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>									
Federal sources	\$ -	\$ 18,266	\$ -	\$ 84,074	\$ 177,401	\$ 57,928	\$ -	\$ 77,341	\$ 415,010
State sources	4,000	-	225,922	-	-	-	-	11,293	241,215
City and county	668,308	12,021	-	-	-	-	25,742	19,762	725,833
Other income	14,777	-	-	-	-	-	255	-	15,032
Total Revenues	687,085	30,287	225,922	84,074	177,401	57,928	25,997	108,396	1,397,090
<u>Expenditures:</u>									
Current:									
General government	230,436	-	-	-	-	-	-	-	230,436
Planning services	-	37,117	235,973	104,918	17,761	-	-	35,461	431,230
Development services	-	-	-	-	263,671	108,696	-	68,256	440,623
GIS planning services	-	-	-	-	65,264	-	60,836	-	126,100
Total Expenditures	230,436	37,117	235,973	104,918	346,696	108,696	60,836	103,717	1,228,389
Excess (deficiency) of Revenues Over (Under) Expenditures	456,649	(6,830)	(10,051)	(20,844)	(169,295)	(50,768)	(34,839)	4,679	168,701
<u>Other Financing Sources and Uses:</u>									
Transfers from other funds	4,745	6,830	10,051	20,844	169,295	50,768	34,839	66	297,438
Transfers to other funds	(292,693)	-	-	-	-	-	-	(4,745)	(297,438)
Total Other Financing Sources and Uses	(287,948)	6,830	10,051	20,844	169,295	50,768	34,839	(4,679)	-
Net Changes in Fund Balance	168,701	-	-	-	-	-	-	-	168,701
Fund Balances - Beginning of Year	385,808	-	-	-	-	-	-	-	385,808
Fund Balances - End of Year	\$ 554,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 554,509

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

GEORGIA MOUNTAINS REGIONAL COMMISSION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses Per Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances \$ 168,701

Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the following:

Internal Service

Internal service funds are used by management to charge the costs of administration to individual funds. The change in net assets is included in governmental activities in the statement of activities. 232

Net pension asset is not available during the current period and therefore, is not reported in the funds.  
Other assets 25,806

Long-term Debt

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:

Compensated absences 7,270

Change in Net Assets of Governmental Activities \$ 202,009

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



GEORGIA MOUNTAINS REGIONAL COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget Positive / (Negative)
<b>Revenues</b>				
State revenues	\$ 2,000	\$ 2,000	\$ 4,000	\$ 2,000
City and county	668,308	668,308	668,308	-
Other	1,000	1,000	14,777	13,777
<b>Total revenues</b>	<b>671,308</b>	<b>671,308</b>	<b>687,085</b>	<b>13,777</b>
<b>Expenditures</b>				
Current:				
General government				
Salaries and wages	77,446	77,446	75,340	2,106
Fringe benefits	34,719	34,719	30,397	4,322
Supplies and materials	5,500	5,500	2,276	3,224
Real estate rental	16,308	16,308	7,809	8,499
Travel	8,100	8,100	16,952	(8,852)
Contracts	15,000	15,000	219	14,781
Other	99,811	99,811	42,238	57,573
Indirect costs	66,548	66,548	55,205	11,343
<b>Total expenditures</b>	<b>323,432</b>	<b>323,432</b>	<b>230,436</b>	<b>92,996</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>347,876</b>	<b>347,876</b>	<b>456,649</b>	<b>108,773</b>
<b>Other financing sources (uses)</b>				
Transfers in (out)	(347,876)	(347,876)	(287,948)	59,928
<b>Total other financing sources (uses)</b>	<b>(347,876)</b>	<b>(347,876)</b>	<b>(287,948)</b>	<b>59,928</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>168,701</b>	<b>\$ 168,701</b>
<b>Fund balance - beginning of year</b>			<b>385,808</b>	
<b>Fund balance - end of year</b>			<b>\$ 554,509</b>	

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

GEORGIA MOUNTAINS REGIONAL COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 PLANNING PROGRAMS FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Plannning Program Funds			Variance with
	Original Budget	Final Budget	Actual	Final Budget Positive / (Negative)
Revenues				
Federal revenues	\$ 16,579	\$ 16,579	\$ 18,266	\$ 1,687
City and county	13,781	13,781	12,021	(1,760)
Total revenues	<u>30,360</u>	<u>30,360</u>	<u>30,287</u>	<u>(73)</u>
Expenditures				
Current:				
Planning services	32,867	32,867	25,071	7,796
Indirect costs	9,118	9,118	12,046	(2,928)
Total expenditures	<u>41,985</u>	<u>41,985</u>	<u>37,117</u>	<u>4,868</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>(11,625)</u>	<u>(11,625)</u>	<u>(6,830)</u>	<u>4,795</u>
Other financing sources				
Transfers in	11,625	11,625	6,830	(4,795)
Total other financing sources	<u>11,625</u>	<u>11,625</u>	<u>6,830</u>	<u>(4,795)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year			<u>-</u>	
Fund balance - end of year			<u>\$ -</u>	

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

GEORGIA MOUNTAINS REGIONAL COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 DCA PROGRAMS FUND  
 GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	DCA Program Funds			Variance with Final Budget Positive / (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
State	\$ 238,661	\$ 238,661	\$ 225,922	\$ (12,739)
<b>Total revenues</b>	<u>238,661</u>	<u>238,661</u>	<u>225,922</u>	<u>(12,739)</u>
<b>Expenditures</b>				
Current:				
Planning services	169,422	169,422	157,846	11,576
Indirect costs	95,758	95,758	78,127	17,631
<b>Total expenditures</b>	<u>265,180</u>	<u>265,180</u>	<u>235,973</u>	<u>29,207</u>
<b>Excess (deficiency) of Revenues Over (Under) Expenditures</b>	<u>(26,519)</u>	<u>(26,519)</u>	<u>(10,051)</u>	<u>16,468</u>
<b>Other financing sources</b>				
Transfers in	26,519	26,519	10,051	(16,468)
<b>Total other financing sources</b>	<u>26,519</u>	<u>26,519</u>	<u>10,051</u>	<u>(16,468)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year			<u>-</u>	
Fund balance - end of year			<u>\$ -</u>	

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

GEORGIA MOUNTAINS REGIONAL COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 DOT PROGRAMS FUND  
 GEORGIA DEPARTMENT OF TRANSPORTATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	DOT Program Funds			Variance with Final Budget Positive / (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Federal	\$ 81,600	\$ 81,600	\$ 84,074	\$ 2,474
<b>Total revenues</b>	<b>81,600</b>	<b>81,600</b>	<b>84,074</b>	<b>2,474</b>
<b>Expenditures</b>				
Current:				
Planning services	64,430	64,430	69,267	(4,837)
Indirect costs	37,570	37,570	35,651	1,919
<b>Total expenditures</b>	<b>102,000</b>	<b>102,000</b>	<b>104,918</b>	<b>(2,918)</b>
<b>Excess (deficiency) of Revenues Over (Under) Expenditures</b>	<b>(20,400)</b>	<b>(20,400)</b>	<b>(20,844)</b>	<b>(444)</b>
<b>Other financing sources</b>				
Transfers in	20,400	20,400	20,844	444
<b>Total other financing sources</b>	<b>20,400</b>	<b>20,400</b>	<b>20,844</b>	<b>444</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance - beginning of year			-	
Fund balance - end of year			<u>\$ -</u>	

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

GEORGIA MOUNTAINS REGIONAL COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 ARC PROGRAMS FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	ARC Program Funds			Variance with Final Budget Positive / (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal	\$ 178,938	\$ 178,938	\$ 177,401	\$ (1,537)
Total revenues	<u>178,938</u>	<u>178,938</u>	<u>177,401</u>	<u>(1,537)</u>
Expenditures				
Current:				
Development services	241,130	241,130	233,170	7,960
Indirect costs	111,506	111,506	113,526	(2,020)
Total expenditures	<u>352,636</u>	<u>352,636</u>	<u>346,696</u>	<u>5,940</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(173,698)</u>	<u>(173,698)</u>	<u>(169,295)</u>	<u>4,403</u>
Other financing sources				
Transfers in	173,698	173,698	169,295	(4,403)
Total other financing sources	<u>173,698</u>	<u>173,698</u>	<u>169,295</u>	<u>(4,403)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year			<u>-</u>	
Fund balance - end of year			<u>\$ -</u>	

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

GEORGIA MOUNTAINS REGIONAL COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 EDA PROGRAMS FUND  
 ECONOMIC DEVELOPMENT ADMINISTRATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	EDA Program Funds			Variance with
	Original Budget	Final Budget	Actual	Final Budget Positive / (Negative)
Revenues				
Federal	\$ 72,185	\$ 72,185	\$ 57,928	\$ (14,257)
Total revenues	<u>72,185</u>	<u>72,185</u>	<u>57,928</u>	<u>(14,257)</u>
Expenditures				
Current:				
Development services	88,036	88,036	73,741	14,295
Indirect costs	48,951	48,951	34,955	13,996
Total expenditures	<u>136,987</u>	<u>136,987</u>	<u>108,696</u>	<u>28,291</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>(64,802)</u>	<u>(64,802)</u>	<u>(50,768)</u>	<u>14,034</u>
Other financing sources				
Transfers in	<u>64,802</u>	<u>64,802</u>	<u>50,768</u>	<u>(14,034)</u>
Total other financing sources	<u>64,802</u>	<u>64,802</u>	<u>50,768</u>	<u>(14,034)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year			<u>-</u>	
Fund balance - end of year			<u>\$ -</u>	

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

GEORGIA MOUNTAINS REGIONAL COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 INFORMATION/GIS PROGRAMS FUND  
 INFORMATION/GIS ADMINISTRATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Information/GIS Program Funds			Variance with
	Original Budget	Final Budget	Actual	Final Budget Positive / (Negative)
<b>Revenues</b>				
City and county	\$ 123,339	\$ 123,339	\$ 25,742	\$ (97,597)
Other	-	-	255	255
<b>Total revenues</b>	<u>123,339</u>	<u>123,339</u>	<u>25,997</u>	<u>(97,342)</u>
<b>Expenditures</b>				
Current:				
Information / GIS services	113,167	113,167	41,553	71,614
Indirect costs	57,671	57,671	19,283	38,388
<b>Total expenditures</b>	<u>170,838</u>	<u>170,838</u>	<u>60,836</u>	<u>110,002</u>
<b>Excess (deficiency) of Revenues Over (Under) Expenditures</b>	<u>(47,499)</u>	<u>(47,499)</u>	<u>(34,839)</u>	<u>12,660</u>
<b>Other financing sources</b>				
Transfers in	47,499	47,499	34,839	(12,660)
<b>Total other financing sources</b>	<u>47,499</u>	<u>47,499</u>	<u>34,839</u>	<u>(12,660)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year			-	
Fund balance - end of year			<u>\$ -</u>	

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

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GEORGIA MOUNTAINS REGIONAL DEVELOPMENT CENTER

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2011

<u>ASSETS</u>	Business-Type Activities	Governmental
	Enterprise Funds	Activities
	Revolving	Internal
	Loan Fund	Service Fund
Current Assets		
Cash and cash equivalents	\$ 434,303	\$ -
Receivables		
Other	3,027	-
Interfund	-	67,162
Prepaid expenses	-	2,595
Loans receivable, current portion	133,528	-
Restricted cash	526,727	-
Total Current Assets	1,097,585	69,757
Long-term Assets		
Loans receivable	524,873	-
Capital Assets, net of accumulated depreciation	-	8,794
Total Assets	1,622,458	78,551
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	3,327	7,397
Total Liabilities	3,327	7,397
<u>NET ASSETS</u>		
Invested in capital assets	-	8,794
Restricted:		
Loans	1,619,131	-
Unrestricted	-	62,360
Total Net Assets	\$ 1,619,131	\$ 71,154

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

GEORGIA MOUNTAINS REGIONAL DEVELOPMENT CENTER

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-Type Activities Enterprise Funds	Governmental Activities
	Revolving Loan Fund	Internal Service Fund
<u>Operating Revenues:</u>		
Charges to other funds	\$ -	\$ 386,629
Interest from loans	42,120	-
Other	2,674	14,757
Total Operating Revenues	44,794	401,386
<u>Operating Expenses:</u>		
Salaries and wages	4,491	206,832
Fringe benefits	2,076	93,937
Supplies and materials	-	5,429
Postage and freight	-	2,147
Publication and printing	-	2,306
Per diem and fees	-	20,855
Repairs and maintenance	-	8,960
Utilities	-	11,325
Depreciation	-	4,045
Facility operation	-	7,788
Rentals	-	8,908
Travel	430	4,738
Insurance and bonding	-	2,952
Other	10,639	20,932
Total Operating Expenses	17,636	401,154
Operating Income (Loss)	27,158	232
<u>Non-Operating Revenues and Expenses:</u>		
Interest income	1,062	-
Total Non-Operating Revenues and Expenses	1,062	-
Change in Fund Net Assets	28,220	232
Net Assets - Beginning of Year	1,590,911	70,922
Net Assets - End of Year	\$ 1,619,131	\$ 71,154

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

GEORGIA MOUNTAINS REGIONAL DEVELOPMENT CENTER

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-Type Activities Enterprise Funds	Governmental Activities
	Revolving Loan Fund	Internal Service Fund
<b><u>Cash Flow from Operating Activities:</u></b>		
Receipts for allocated expenses	\$ -	\$ 386,629
Receipts from other operating activities	136,850	14,757
Payments for salaries and fringe benefits	(6,567)	(300,769)
Payments for direct operating expenses	(10,691)	(90,442)
Net Cash Provided by (Used for) Operating Activities	<u>119,592</u>	<u>10,175</u>
<b><u>Cash Flows from Capital Financing Activities:</u></b>		
Purchase of capital asset	-	(8,900)
Net Cash Provided by (Used for) Capital Financing Activities	<u>-</u>	<u>(8,900)</u>
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>		
Advances from other funds	-	(1,275)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>-</u>	<u>(1,275)</u>
<b><u>Cash flows from Investing Activities:</u></b>		
Interest received	1,062	-
Net Cash Provided by (Used for) Investing Activities	<u>1,062</u>	<u>-</u>
Net Increase (Decrease) in Cash and Equivalents	120,654	-
Cash and Cash Equivalents - Beginning of Year	840,376	-
Cash and Cash Equivalents - End of Year	<u>\$ 961,030</u>	<u>\$ -</u>
<b><u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:</u></b>		
Net Operating Income (Loss)	\$ 27,158	\$ 232
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation expense	-	4,045
Changes in Assets and Liabilities:		
(Increase) decrease in prepaids	-	3,463
(Increase) decrease in accounts receivable	(164)	-
(Increase) decrease in loans receivable	92,220	-
Increase (decrease) in accounts payable	378	2,435
Total Adjustments	<u>92,434</u>	<u>9,943</u>
Net Cash Provided by Operating Activities	<u>\$ 119,592</u>	<u>\$ 10,175</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1 – DESCRIPTION OF COMMISSION AND REPORTING ENTITY**

**Reporting Entity**

The Georgia Mountains Regional Commission (the "Commission") succeeded the former Georgia Mountains Regional Development Commission, effective July 1, 2009. The Official Code of Georgia Annotated ("OCGA") Section 50-8-41 provided for this succession. The responsibilities and authority of the regional development commissions are contained in Sections 50-8-30 through 50-8-46 of OCGA. The Commission assists local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. Membership dues, federal, state, local, and other income finance operations of the Commission. Grants from federal, state, and other sources permit the Commission to undertake specific programs.

County members of the Commission are Banks, Dawson, Forsyth, Franklin, Habersham, Hall, Hart, Lumpkin, Rabun, Stephens, Towns, Union, and White. Municipalities which are members are: Alto, Avalon, Baldwin, Blairsville, Bowersville, Canon, Carnesville, Clarkesville, Clayton, Clermont, Cleveland, Cornelia, Cumming, Dahlonega, Dawsonville, Demorest, Dillard, Flowery Branch, Franklin Springs, Gainesville, Gillsville, Hartwell, Helen, Hiawassee, Homer, Lavonia, Lula, Martin, Maysville, Mountain City, Mt. Airy, Oakwood, Royston, Sky Valley, Tallulah Falls, Tiger, Toccoa and Young Harris.

Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity* requires the financial statements of the reporting entity to include the primary government and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14 *The Financial Reporting Entity*, the RC's relationship with other governments and agencies have been examined. As a result, no component units were identified which should be included in the reporting entity.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The Commission's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statements of the reporting entity.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

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***Government-wide Financial Statements***

The government-wide financial statements are the Statement of Net Assets and the Statement of Activities. These statements report financial information for the Commission as a whole excluding fiduciary activities such as employee pension plans. The primary government is presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements reflect governmental activities, which are generally supported by intergovernmental revenues, regional dues and assessments, grants, contributions and other nonexchange transactions. Eliminations have been made to minimize the double counting of internal activities.

The *Statement of Net Assets* presents the financial position of the governmental activities of the Commission at year-end. This statement is presented in a classified format.

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each function of the Commission's governmental activities:

- ***Direct Expenses*** – Expenses that are specifically associated with a program or function, therefore clearly identifiable to a particular function.
- ***Indirect expenses allocation*** – Pooled costs, which are allocated to specific programs or functions as determined by the Commission's cost allocation plans. See Note 2.Q.
- ***Program Revenues*** – Include (a) charges for services, which report fees and other charges to recipients for goods, or services offered by the programs and (b) operating grants and contributions, which are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including grants and contributions not restricted to specific programs, are presented as general revenues.

***Fund Financial Statements***

The fund financial statements consist of a series of statements that focus on information about the government's governmental funds. Major governmental funds are reported in separate columns with a composite column for the nonmajor funds in the aggregate.

**B. Basis of Accounting and Measurement Focus**

The financial statements of the Commission are prepared in accordance with generally accepted accounting principles (GAAP). The Commission's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include regional dues and assessments, grants and contributions. Regional dues and assessments are recognized in the fiscal year for which they are levied. Revenue from grants and contributions are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Commission uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Commission considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred. Capital asset acquisitions, if any are reported as expenditures in governmental funds.

Major revenue sources susceptible to accrual include: intergovernmental revenues, regional dues and assessments and grants. In general, other revenues are recognized when cash is received. See Note 4.B.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

The Commission funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Commission's policy to use restricted resources first, and then unrestricted resources as needed. See Note 4.I.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

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C. **Fund Types and Major Funds**

**Governmental Funds**

The Commission reports the following major governmental funds:

- ***General Fund*** – reports as the primary fund of the Commission. This fund is used to account for all financial resources not reported in other funds.
- ***Planning Programs Fund*** – used to account for activities such as general technical assistance, etc.
- ***DCA Programs Fund*** – used to account for the work scope as designated in the major contracts with the Georgia Department of Community Affairs.
- ***DOT Programs Fund*** – used to account for the work scope as designated in the major contracts with the Georgia Department of Transportation.
- ***ARC Programs Fund*** – used to account for Local Development District Administrative Grant with the Appalachian Regional Commission.
- ***EDA Programs Fund*** – used to account for the Section 203 District Planning Assistance Program with the Economic Development Administration, Atlanta Regional Office and EDA administrative grants.
- ***Information / GIS Service Fund*** – used to account for activities as Field Data collection using Global Positioning System.

The Commission reports all governmental fund financial resources not reported within major funds as nonmajor funds.

**Proprietary Fund**

Proprietary fund reporting focuses on the determination of operating income changes in net assets, financial position and cash flows.

The Commission reports the following major proprietary fund:

- ***Revolving Loan Fund*** – used to account for the issuance and repayment of loans made to customers.

Additionally, the Commission reports the following fund types:

- ***Internal Service Fund*** – used to account for pooled costs, which are allocated to various grants and contracts as determined by the Commission's cost allocation plans within the primary government.



GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

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**D. Cash and Cash Equivalents**

Cash and cash equivalents consist of deposits in authorized financial institutions. Georgia Laws authorize the Commission's reporting entity to deposit its funds in one or more solvent banks, insured Federal savings and loan associations, or insured State chartered building and loan associations. The Commission's reporting entity considers highly liquid investments with an original maturity of three months or less *when* purchased to be cash equivalents. See Note 4.A.

**E. Investments**

The Commission has adopted SFAS No. 124, "*Accounting for Certain Investments Held by Not-for-Profit Organizations.*" Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net *assets* if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**F. Receivables**

Receivables consist of grant reimbursements due on Federal, State or other grants for expenditures made but not reimbursed, assessments and dues from participating local governments, and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts that would necessitate the need for an allowance for uncollectible receivables. See Note 4.B.

**G. Inventories and Prepaid Items**

**Inventories**

The reporting entity does not show inventory in its governmental fund or proprietary fund type balance sheets. The costs of governmental fund and proprietary fund type inventory are recorded as an expenditure or expense when purchased rather than when consumed.

**Prepaid Items**

Payments made to vendors that benefit future reporting periods are recorded as prepaid items. They are recorded at cost at the time of payment then recorded as expenditure or expense at the time the item is used. Prepaid items are reported in government-wide and fund financial statements, as applicable.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

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**H. Capital Assets and Depreciation**

Property, plant, and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Proprietary capital assets are also reported in their respective fund and combining financial statements. Donated capital assets, if any, are stated at their fair value on the date donated. The Commission generally capitalizes assets with cost of \$5,000 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

**Primary Government**

Leasehold improvements	25-30
Equipment, vehicles	5-10

**I. Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental activities column of the statement of net assets.

**J. Compensated Absences**

Compensated absences represent obligations of the Commission relating to employees' rights to receive compensation for future absences based upon services already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. Commission employees with tenure of five years or less are awarded 144 hours per year of personal leave. Commission employees with five to ten years of tenure are awarded 192 hours per year of personal leave. Commission employees with tenure of more than ten years are awarded 240 hours per year of personal leave. The maximum number of hours that may be accrued is 195 hours; however, personal leave may not be carried forward from one fiscal year to another in excess of 195 hours. Upon termination of employment, employees of the Commission are allowed to be reimbursed for accumulated personal leave at year-end plus personal leave accumulated during the current year up to a maximum of 195 hours.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absences liability at the fund reporting level only "when due."

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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**K. Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Capital leases and notes payable are recognized as a liability in the governmental fund financial statements "when due."

**L. Fund Equity**

In the financial statements, governmental funds report the following classifications of fund balance in accordance with Governmental Accounting Standards Board Statement No. 54:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council. The Council approves committed resources through a motion and vote during the voting session of Council meetings.
- Assigned – amounts that are constrained by the Commission's intent to be used for specific purposes, but are neither restricted nor committed. The intent is expressed by the Council.
- Unassigned – amounts that have not been assigned to other funds, and that are not restricted, committed, or assigned to specific purposes within the General Fund.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Commission's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Commission's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

The Commission does not have a formal minimum fund balance policy.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

The following is a summary of the fund balance classifications as of June 30, 2011:

	General Fund	Planning Programs	DCA Programs	DOT Programs	ARC Programs	EDA Programs	Information GIS Services	Nonmajor Governmental	Total
<b>Fund Balances</b>									
Nonspendable:									
Prepays	\$ 1,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,696
Assigned for:									
Capital outlay	81,283	-	-	-	-	-	-	-	81,283
Unassigned	471,530	-	-	-	-	-	-	-	471,530
<b>Total fund balances</b>	<b>\$ 554,509</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 554,509</b>

**M. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the internal service fund. For the Commission, these revenues are charges to various funds (grants and contracts) as determined by the Commission's cost allocation plans. Operating expenses are necessary costs incurred to provide administrative services and depreciation on capital assets.

**N. Employee Benefits**

Employee benefits are pooled and allocated to the respective funds based upon a predetermined rate applied against the respective funds salaries and wages.

Total employee benefits utilized for allocation by the Commission for the year ended June 30, 2011, totaled \$324,605. Using total salaries and wages of \$709,877 as the allocation base, the actual employee benefit rate for the year ended June 30, 2011, was 46 percent.

**O. Payroll Taxes**

Payroll tax payments are made to the State of Georgia for unemployment and Internal Revenue Service for Medicare. The Commission did have one employee who received unemployment during the fiscal year ended June 30, 2011. Payroll taxes paid by the Commission were \$10,196 for the year ended June 30, 2011. The Commission and its employees are exempt from Social Security Tax.

**P. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

Transfers between funds reported in the governmental activities column are eliminated.

**Q. Allocation of Indirect Expenses**

Expenses that are incurred for a common or joint purpose benefiting more than one cost objective or expenses that are not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved are considered indirect costs. These indirect costs are recorded in the Internal Service Fund by the Commission accounting system and allocated to elements of the respective funds based upon a provisional indirect cost rate. The Commission's provisional indirect cost rate is based upon prior cost experience, documented by a cost allocation plan, and is approved by the Commission's Federal oversight agency (United States Department of Commerce, Office of Audits) in accordance with the provisions of U.S. Office of Management and Budget Circular A-87. The provisional rate for the year ended June 30, 2011, was fifty nine percent (59%). At the end of each month during the year, actual indirect cost rate is determined and adjustments are made to allocate the difference between provisional and actual indirect costs to the respective funds. These charges are separately reported in the Statement of Activities. Total indirect costs incurred by the Commission for the year ended June 30, 2011, was \$386,294. Using total governmental funds personal services expenditures (direct salaries plus employee benefits less amounts not utilized in computation), \$733,713 as the allocation base; the actual indirect cost rate for the year ended June 30, 2011, was fifty-three percent (53%).

**R. Deferred/Unearned Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grant and contract entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

Deferred revenue is reclassified as "unearned revenue" on the government-wide statement of net assets.

**S. Use of Estimates**

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

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**NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budget Policy, Practice and Basis**

The Executive Director submits annual budgets to the Council for the General and Special Revenue Funds. Legal provisions govern the budgetary process. These budgets are formally adopted on an individual grant-funded program level, which is the legal level of budgetary control. The Council may amend the budget annually or as directed by the Council. The Council approves budget amendments if total expenditures exceed budgeted expenditures at the individual grant funded program level. All expenditures in excess of budgeted amounts are the responsibility of the RC through local funds. Unobligated appropriations in the annual operating budget lapse at fiscal year end.

**B. Budget to GAAP Reconciliation**

All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**C. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the RC.

**D. Excess of Expenditures Over Appropriations in Individual Funds**

Expenditures exceeded budget in the following major fund:

DOT Programs	\$	2,918
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**NOTE 4 – DETAILED NOTES ON FUNDS**

**A. Cash and Investment**

**Custodial Credit Risk – Deposits**

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. The RC's bank balances of deposits as of June 30, 2011 are entirely insured or collateralized with securities held by the RC's agent in the RC's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

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**B. Receivables**

Federal receivables include amounts earned on approved Federal grant contracts (includes Federal grants which may be passed through state and local agencies). State receivables include amounts earned on grant contracts that do not contain Federal fund participation. City and county receivables include amounts due from city and county governments for dues and assessments. Other receivables include any other amounts due from debtors including grant contracts with local governments. The Commission's receivables relating to Federal and state grants, local governments, loans and other at June 30, 2011, are as follows:

	<u>Governmental Funds</u>		<u>Total</u>
	<u>Major Funds</u>	<u>Nonmajor Funds</u>	
<b>Federal</b>			
Planning Programs Fund			
FEMA	\$ 8,354	\$ -	\$ 8,354
DOT Programs Fund			
Georgia Department of Transportation	18,443	-	18,443
ARC Programs Fund			
Appalachian Regional Commission	4,980	-	4,980
EDA Programs Fund			
Economic Development Administration	1,431	-	1,431
EPA TMDL Section 106 Fund			
Georgia Department of Natural Resources	-	7,441	7,441
Economic Development Special Services			
Georgia Department of Natural Resources	-	2,072	2,072
CDBG Programs Fund			
Various Cities and Counties - CDBG	-	27,176	27,176
Total Federal	<u>\$ 33,208</u>	<u>\$ 36,689</u>	<u>\$ 69,897</u>
<b>State</b>			
DCA Programs Fund			
Georgia Department of Community Affairs	<u>\$103,841</u>	<u>\$ -</u>	<u>\$103,841</u>
Total State	<u>\$103,841</u>	<u>\$ -</u>	<u>\$103,841</u>

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**City and County**

Total amounts due the Commission from city and county governments at June 30, 2011, are as follows:

	Major Governmental Funds				Total
	General Fund	Planning Programs Fund	GIS Services Fund	Information/ Nonmajor Governmental Funds	
<b>City and County</b>					
Various Cities and Counties	\$ -	\$ 4,850	\$ 5,396	\$ 4,986	\$ 15,232
Total City and County	\$ -	\$ 4,850	\$ 5,396	\$ 4,986	\$ 15,232

**C. Interfund Receivables, Payables and Transfers**

Interfund balances at June 30, 2011, consisted of the following amounts and represent charges by one fund to another for services or goods, subsidy commitments outstanding at year end, or reimbursable expenses.

The Commission's transfers are for operating expenses reimbursed to the major and nonmajor governmental funds paid out of the general fund.

The following schedules report the interfund receivables and payables within the reporting entity at fiscal year-end: The following schedules report transfers within the reporting entity:

Payable	Receivable					Total Payable From
	General Fund	ARC Programs	EDA Programs	Nonmajor Governmental	Internal Service Fund	
<b>Governmental Activities</b>						
Major Governmental Funds						
General Fund	\$ -	\$ 41,663	\$ 7,781	\$ 3,525	\$ 67,162	\$ 120,131
Planning Programs	7,662	-	-	-	-	7,662
DCA Programs	103,841	-	-	-	-	103,841
DOT Programs	18,443	-	-	-	-	18,443
Information / GIS Services	4,153	-	-	-	-	4,153
Nonmajor Governmental Funds	41,040	-	-	-	-	41,040
	<u>\$ 175,139</u>	<u>\$ 41,663</u>	<u>\$ 7,781</u>	<u>\$ 3,525</u>	<u>\$ 67,162</u>	<u>\$ 295,270</u>



GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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 (CONTINUED)

The following schedules report transfers within the reporting entity:

<u>Transfer In</u>	<u>Transfer Out</u>		<u>Total Transfer In</u>
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	
Governmental Activities:			
Major Governmental Funds			
DCA Programs	\$ 10,051	\$ -	\$ 10,051
Planning Programs	6,830	-	6,830
DOT Programs	20,844	-	20,844
ARC Programs	169,295	-	169,295
EDA Programs	50,768	-	50,768
Information / GIS Services	34,839	-	34,839
General Fund	-	4,745	4,745
Nonmajor Governmental Funds	66	-	66
Total Transfer Out	<u>\$ 292,693</u>	<u>\$ 4,745</u>	<u>\$ 297,438</u>

**D. Capital Assets**

**Changes in Capital Assets**

The following schedule provides a summary of changes in capital assets within the reporting entity:

	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
	<u>June 30, 2010</u>			<u>June 30, 2011</u>
Depreciable capital assets:				
Equipment	\$ 151,573	\$ 8,900	\$ -	\$ 160,473
Vehicles	102,840	-	-	102,840
Total depreciable capital assets	<u>254,413</u>	<u>8,900</u>	<u>-</u>	<u>263,313</u>
Total capital assets	<u>254,413</u>	<u>8,900</u>	<u>-</u>	<u>263,313</u>
Accumulated depreciation:				
Equipment	(150,445)	(106)	-	(150,551)
Vehicles	(100,029)	(3,939)	-	(103,968)
Total Accumulated depreciation	<u>(250,474)</u>	<u>(4,045)</u>	<u>-</u>	<u>(254,519)</u>
Total capital assets, net	<u>\$ 3,939</u>	<u>\$ 4,855</u>	<u>\$ -</u>	<u>\$ 8,794</u>

Depreciation expense was charged to the Commission's indirect cost plan and allocated to the applicable programs in accordance with these approved plans from their respective internal service funds.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

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(CONTINUED)

**E. Accrued Liabilities**

Accrued liabilities consist of the following at year-end:

**Primary Government**

Rent settlement \$ 119,634

**Rent Settlement**

An audit report issued by the Georgia Department of Community Affairs ("DCA") on June 19, 1996, raised certain issues regarding expenditures made by the Commission. The report was reviewed by the U.S. Department of Commerce ("DOC"), the Commission's cognizant agency, which issued a letter dated October 3, 1997, summarizing findings for fiscal years 1984 through 1992. The Commission provided responses to both the DCA and the DOC. On September 1998 the DOC, Economic Development Administration ("EDA") issued a letter resolving the issues. As a result, the Commission will return \$119,634 to various agencies participating in charges based upon the Commission's indirect cost pool during the years 1984 through 1992. The Commission will earmark \$100,000 as a reserve for future building repairs for a period of ten years or until such amount in uncharged cost allocations is attained in full. The balance remaining at June 30, 2011, on this reserve was \$0. See Note 4.1.

**F. Unobligated Grant Balances Payable**

Unobligated grant balances payable consist of unexpended grant funds available on completed grants at June 30, 2011. These funds should be refunded to the respective grantor agency as follows:

Appalachian Regional Commission  
Contract No. GA-0701B-C34-302 \$ 3,996

**G. Long-term Debt**

The following is a summary of changes in long-term debt:

	Balance			Balance		Due Within
	July 1, 2010	Issued	Retired	June 30, 2011	One Year	
Governmental Activities						
Compensated Absences	\$ 60,642	\$ 47,779	\$ 55,049	\$ 53,372	\$ 10,674	

For governmental activities, compensated absences are generally liquidated by the General Fund.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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 (CONTINUED)

**Operating Leases**

The reporting entity is committed under various building, machinery and equipment leases. For the reporting period, rent expenditures approximated \$11,652 for the Commission. Outstanding obligations for the year were not significant.

**H. Invested in Capital Assets**

Amounts recognized in "Invested in capital assets" for the reporting entity were as follows:

	<u>Internal Service Fund</u>
Historical cost	\$ 263,313
Accumulated depreciation	(254,519)
Invested in capital asset	<u>\$ 8,794</u>

**I. Restricted Net Assets**

Restrictions of net assets show amounts that are legally reserved for specific uses. The reporting entity's restricted net assets (reserves) at June 30, 2011, consist of the following:

	<u>Proprietary Funds Enterprise Revolving Loan Fund</u>	<u>Total</u>
<b>Primary Government</b>		
Governmental Activities		
Restricted for loans	<u>\$ 1,619,131</u>	<u>\$ 1,619,131</u>
	<u>\$ 1,619,131</u>	<u>\$ 1,619,131</u>

**NOTE 5 – RISK MANAGEMENT**

The reporting entity is exposed to various risks of loss related to torts; theft of, damage to, and distinction of assets; errors and omissions; injuries to employees; natural disaster; and unemployment compensation. The Commission carries commercial insurance for risks of loss with the exception of health insurance. The Commission has neither significantly reduced coverage for these risks nor incurred losses (settlements) that exceeded the Commission's insurance coverage in any of the past three years. Currently, the Commission participates in the Georgia Municipal Association ("GMA") Health Insurance Plan, a risk pool, and is not required to maintain additional self-insurance. Coverage includes medical and dental insurance with per person \$500 and \$50 deductibles, respectively and \$50,000 life insurance. The Commission pays

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

**E. Accrued Liabilities**

Accrued liabilities consist of the following at year-end:

**Primary Government**

Rent settlement \$ 119,634

**Rent Settlement**

An audit report issued by the Georgia Department of Community Affairs ("DCA") on June 19, 1996, raised certain issues regarding expenditures made by the Commission. The report was reviewed by the U.S. Department of Commerce ("DOC"), the Commission's cognizant agency, which issued a letter dated October 3, 1997, summarizing findings for fiscal years 1984 through 1992. The Commission provided responses to both the DCA and the DOC. On September 1998 the DOC, Economic Development Administration ("EDA") issued a letter resolving the issues. As a result, the Commission will return \$119,634 to various agencies participating in charges based upon the Commission's indirect cost pool during the years 1984 through 1992. The Commission will earmark \$100,000 as a reserve for future building repairs for a period of ten years or until such amount in uncharged cost allocations is attained in full. The balance remaining at June 30, 2011, on this reserve was \$0. See Note 4.I.

**F. Unobligated Grant Balances Payable**

Unobligated grant balances payable consist of unexpended grant funds available on completed grants at June 30, 2011. These funds should be refunded to the respective grantor agency as follows:

Appalachian Regional Commission  
 Contract No. GA-0701B-C34-302 \$ 3,996

**G. Long-term Debt**

The following is a summary of changes in long-term debt:

	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 60,642	\$ 47,779	\$ 55,049	\$ 53,372	\$ 10,674

For governmental activities, compensated absences are generally liquidated by the General Fund.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (CONTINUED)

**Operating Leases**

The reporting entity is committed under various building, machinery and equipment leases. For the reporting period, rent expenditures approximated \$11,652 for the Commission. Outstanding obligations for the year were not significant.

**H. Invested in Capital Assets**

Amounts recognized in "Invested in capital assets" for the reporting entity were as follows:

	<u>Internal Service Fund</u>
Historical cost	\$ 263,313
Accumulated depreciation	<u>(254,519)</u>
Invested in capital asset	<u>\$ 8,794</u>

**I. Restricted Net Assets**

Restrictions of net assets show amounts that are legally reserved for specific uses. The reporting entity's restricted net assets (reserves) at June 30, 2011, consist of the following:

	<u>Proprietary Funds Enterprise</u>	
	<u>Revolving Loan Fund</u>	<u>Total</u>
<b>Primary Government</b>		
Governmental Activities		
Restricted for loans	<u>\$ 1,619,131</u>	<u>\$ 1,619,131</u>
	<u>\$ 1,619,131</u>	<u>\$ 1,619,131</u>

**NOTE 5 – RISK MANAGEMENT**

The reporting entity is exposed to various risks of loss related to torts; theft of, damage to, and distinction of assets; errors and omissions; injuries to employees; natural disaster; and unemployment compensation. The Commission carries commercial insurance for risks of loss with the exception of health insurance. The Commission has neither significantly reduced coverage for these risks nor incurred losses (settlements) that exceeded the Commission's insurance coverage in any of the past three years. Currently, the Commission participates in the Georgia Municipal Association ("GMA") Health Insurance Plan, a risk pool, and is not required to maintain additional self-insurance. Coverage includes medical and dental insurance with per person \$500 and \$50 deductibles, respectively and \$50,000 life insurance. The Commission pays

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

a monthly premium of \$658 per employee. Employee health claims are submitted to and paid by GMA and the Commission is not liable for any medical costs not covered by the plan.

The Commission is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Government has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund ("GIRMA") and the Georgia Municipal Association Workers Compensation Self-Insurance Fund ("WCSIF"), public entity risk pools currently operating as common risk management and insurance programs for member local governments.

Administered by GMA, the GIRMA was created in 1987 to provide property and liability coverage to local government entities in Georgia. The membership owns and controls the fund requiring annual contributions based on individual loss experience and underwriting which are pooled to pay property and liability claim defense, claim losses, insurance to limit exposure, and administrative expenses. The WCSIF was created in 1982 by state statute and administered by GMA. The membership owns and controls the fund requiring contributions based on individual loss experience and underwriting which are pooled to pay workers' compensation statutory coverage for municipal governments in Georgia.

As part of these risk pools, the Commission is obligated to pay all contributions and assessments as prescribed by the pools, 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 Commission is also to allow the pool's agents and attorneys to represent the Commission in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Commission within the scope of loss protection furnished by the funds.

**NOTE 6 – RETIREMENT PLANS**

**A. Defined Benefit Pension Plan**

The RC is a participating member of the Georgia Municipal Employees Benefit System, a State-wide agent, multiple-employer retirement system, administered by the Georgia Municipal Association.

**1. Summary of Significant Accounting Policies**

*Basis of Accounting.* The RC's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (CONTINUED)

*Method Used to Value Investments.* The sum of actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

2. Plan Description and Contribution Information

Membership of the plan consisted of the following as of January 1, 2011, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	17
Terminated plan members entitled to but not yet receiving benefits	18
Active plan members	<u>12</u>
Total	<u><u>47</u></u>
Number of participating employers	1

*Plan Description.* The Georgia Municipal Employees Benefit System (GMEBS), a State-wide agent, multiple-employer retirement system, administered by the Georgia Municipal Association (GMA). This is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. The RC has established provisions, which assign the authority to the RC council members to establish and amend the benefit provisions of the plan.

Control over the operation and administration of the plan is vested with GMEBS along with custody of the plan assets. The plan provides that the RC has no liability with respect to payments or benefits or otherwise under the plan except to pay over to GMEBS such actuarially determined contributions as are required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after the satisfaction of all liabilities, such funds shall not revert to the RC but shall be allocated to employees.

There are no loans to any of the RC officials or other "party-in-interest", and there are no prohibited transactions. The plan assets do not include any securities or investments in the Georgia Mountains Regional Commission (GMRC). The funds are managed by independent money managers.

The annual report and more detailed information regarding the plan can be obtained from the Plan Administrator, the Georgia Municipal Employees Benefit System.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (CONTINUED)

*Contributions.* Employees make no contributions to the plan. The RC is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan.

The Board of Trustees of the GMEBS has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability (initial unfunded accrued liability over 30 years from 1982 and changes in the unfunded actuarial accrued liabilities over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year which such changes arise), and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The total level dollar amortization must be within a corridor of the 10-year and the 30-year amortization of the unfunded / (surplus) actuarial accrued liability.

3. Funded Status and Funding Progress – Pension Plans

The funded status of the plan as of January 1, 2011, the most recent actuarial valuation date, is as follows:

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL, as a Percentage of Covered Payroll ((b-a) / c)
January 1, 2011	\$ 4,933,276	\$ 4,810,878	\$ (122,398)	102.54%	\$ 683,030	-17.92%

Historical trend information designed to provide information about the RC's progress made in accumulating significant assets to pay pension benefits when due is presented below:

Fiscal Year	Annual Pension Cost	Percentage of Annual Covered Payroll	Percentage of APC Contributed	Net Pension Benefit/ (Obligation)
2011	\$ 170,452	23.09%	115%	\$ 110,810
2010	223,799	29.39%	64%	85,004
2009	164,968	23.09%	100%	165,467

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AAL's for benefits.



GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

Derivation of Annual Pension Cost:

Annual required contribution	\$ 124,265
Interest on Net Pension Obligation	92,555
Amortization of Net Pension Obligation	<u>(46,368)</u>
Annual Pension Cost	<u>\$ 170,452</u>

Derivation of Net Pension Obligation:

Annual Pension Cost for Current Year	\$ 170,452
Actual Contributions to Plan for Current Year	<u>196,258</u>
Increase in Net Pension Obligation/(Asset)	(25,806)
Net Pension Obligation/(Asset), as of June 30, 2010	<u>(85,004)</u>
Net Pension Obligation/(Asset), as of June 30, 2011	<u>\$ (110,810)</u>

Additional information as of the last actuarial valuation follows:

Valuation date	January 1, 2011
Actuarial cost method	Projected Unit Credit
Amortization method	The amortization of the unfunded actuarial liability is level dollar over 30 years for the initial unfunded actuarial liability, 15 years for actuarial gains and losses, 20 years for plan provisions, and 30 years for actuarial assumptions and cost methods.
Remaining amortization period	Remaining amortization period varies for the bases
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	3.50%
COLAs	3.50%

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

**B. Defined Contribution Plan**

**Primary Government**

The Commission participates in a 401(k) defined contribution plan, administered by Edward Jones & Company, respectively, established and amended by the Board of Directors. The Commission, prior to establishing an earlier 403(b) retirement plan, which was replaced with the 401(k) plans, elected not to participate in the Social Security System. Each employee is required to participate upon employment and makes mandatory contributions of 6.20 percent of his/her gross salary, paired with 1.45 percent for Medicare. The Commission contributes a match of 6.20 percent less the cost of long-term disability insurance. Contributions are 100 percent vested. Employer and employee contributions for the year ended June 30, 2011, were \$35,570 and \$55,892, respectively.

**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS**

In addition to pension benefits described in Note 6, the Regional Commission may provide post-employment benefit options for health care and dental insurance for eligible employees. The benefits are provided in accordance with the Commission's By-Laws and The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The criteria to determine eligibility may include: years of service, employee age and whether the employee has vested in the respective retirement plan. The RC funds the benefits on a pay-as-you-go basis. Eligible employees are required to pay 100% of the premium cost. During fiscal year 2011 no expenses were recognized for post-employment benefits and there are no participants currently eligible.

**NOTE 8 – JOINT VENTURE**

Under Georgia law, cities and counties in the 13 county Georgia Mountains region are members of Georgia Mountains Regional Commission ("RC"). Membership in a Regional Commission ("RC") is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Council membership includes the chief elected official of each county or his/her appointed elected county official and mayor of the municipality of the area and one private sector individual. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC beyond its resources.

**NOTE 9 – RESTRICTED CASH**

During the fiscal year ended June 30, 2011, the RC was notified by the Economic Development Administration (EDA) that the RC needed to sequester excess loan funds held for two or more consecutive reporting periods in the amount of \$526,727. The RC has to also pay interest to EDA on these sequestered funds on a quarterly basis. The sequestered funds will only be released once the RC's underutilized base capital rate falls below the threshold.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

**NOTE 10 – PRIOR PERIOD ADJUSTMENT**

Management recorded a prior period adjustment of \$85,004 to correct the reporting of the net pension asset, which had not been reported in prior years.

Net assets, June 30, 2010 – as previously reported	\$	396,088
Adjustment to net assets:		
Recording of net pension asset		<u>85,004</u>
Net assets, June 30, 2010, restated	\$	<u>481,092</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

GEORGIA MOUNTAINS REGIONAL COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded (Assets in Excess of AAL) (b-a)	Annual Covered Payroll (c)	Ratio of Unfunded to Annual Covered Payroll
2011	\$ 4,933,276	\$ 4,810,878	102.54%	\$ (122,398)	\$ 683,030	-17.92%
2010	4,738,638	4,653,634	101.83%	(85,004)	725,619	-11.71%
2009	3,690,732	5,041,041	73.21%	1,350,309	761,463	177.33%
2008	4,502,257	4,793,458	93.93%	291,201	714,514	40.76%
2007	4,296,592	4,440,624	96.76%	144,032	667,921	21.56%
2006	4,095,503	4,425,868	92.54%	330,365	469,064	70.43%
2005	3,876,094	4,008,300	96.70%	132,206	669,915	19.73%
2004	3,611,534	3,981,090	90.72%	369,556	867,604	42.60%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended 6/30	Annual Required Contribution	Percentage Contributed
2011	\$ 170,452	115%
2010	223,799	64%
2009	164,968	100%

**SUPPLEMENTARY INFORMATION**

GEORGIA MOUNTAINS REGIONAL COMMISSION

GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2011

**ASSETS**

Cash and cash equivalents	\$	635,141
Receivables		
Other		689
Interfund receivable		175,139
Prepays		<u>1,696</u>
Total assets	\$	<u><u>812,665</u></u>

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable	\$	13,812
Accrued liabilities		119,634
Interfund payable		120,131
Deferred revenue		<u>4,579</u>
Total liabilities		<u>258,156</u>

**FUND BALANCE**

Nonspendable		1,696
Assigned		81,283
Unassigned		<u>471,530</u>
Total fund balance		<u>554,509</u>

Total liabilities and fund balance	\$	<u><u>812,665</u></u>
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GEORGIA MOUNTAINS REGIONAL COMMISSION

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues		
State revenue	\$	4,000
City and county		668,308
Interest income		356
Other		14,421
		<hr/>
Total revenues		687,085
		<hr/>
Expenditures		
Current:		
General government		
Salaries and wages		75,340
Fringe benefits		30,397
Supplies and materials		2,276
Repairs and maintenance		3,775
Real estate rental		7,809
Travel		16,952
Contracts		219
Other		38,463
Indirect costs		55,205
		<hr/>
Total expenditures		230,436
		<hr/>
Excess/(deficiency) of revenues over/(under) expenditures		456,649
		<hr/>
Other financing (uses)		
Transfers in		4,745
Transfers out		(292,693)
		<hr/>
Total other financing (uses)		(287,948)
		<hr/>
Net change in fund balance		168,701
		<hr/>
Fund balance - beginning of year		385,808
		<hr/>
Fund balance - end of year	\$	554,509
		<hr/> <hr/>



GEORGIA MOUNTAINS REGIONAL COMMISSION

PLANNING PROGRAMS FUND  
BALANCE SHEET  
JUNE 30, 2011

**ASSETS**

Receivables	
Federal	\$ 8,354
City and county	<u>4,850</u>
Total assets	<u><u>\$ 13,204</u></u>

**LIABILITIES AND FUND BALANCE**

<b>LIABILITIES</b>	
Deferred revenue	\$ 5,542
Interfund payable	<u>7,662</u>
Total liabilities	<u>13,204</u>
 <b>FUND BALANCE</b>	
Assigned	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 13,204</u></u>

GEORGIA MOUNTAINS REGIONAL COMMISSION

PLANNING PROGRAMS FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues		
Federal		\$ 18,266
City and county		<u>12,021</u>
Total revenues		<u>30,287</u>
Expenditures		
Current:		
Planning services		
Salaries and wages		15,520
Fringe benefits		7,172
Supplies and materials		46
Travel		1,873
Other		460
Indirect costs		<u>12,046</u>
Total expenditures		<u>37,117</u>
Excess/(deficiency) of revenues over/(under) expenditures		<u>(6,830)</u>
Other financing sources		
Transfers in		<u>6,830</u>
Total other financing sources		<u>6,830</u>
Net change in fund balance		-
Fund balance - beginning of year		<u>-</u>
Fund balance - end of year		<u><u>\$ -</u></u>

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 PLANNING PROGRAMS FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>Revenues</b>				
Federal	\$ 16,579	\$ 16,579	\$ 18,266	\$ 1,687
City and county	13,781	13,781	12,021	(1,760)
<b>Total revenues</b>	<b>30,360</b>	<b>30,360</b>	<b>30,287</b>	<b>(73)</b>
<b>Expenditures</b>				
Current:				
Planning services				
Salaries and wages	14,664	14,664	15,520	(856)
Fringe benefits	6,662	6,662	7,172	(510)
Supplies and materials	271	271	46	225
Travel	6,517	6,517	1,873	4,644
Other	4,753	4,753	460	4,293
Indirect costs	9,118	9,118	12,046	(2,928)
<b>Total expenditures</b>	<b>41,985</b>	<b>41,985</b>	<b>37,117</b>	<b>4,868</b>
Excess (deficiency) of revenues over (under) expenditures	(11,625)	(11,625)	(6,830)	4,795
Other financing sources				
Transfers in	11,625	11,625	6,830	(4,795)
<b>Total other financing sources</b>	<b>11,625</b>	<b>11,625</b>	<b>6,830</b>	<b>(4,795)</b>
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning of year			-	
Fund balance - end of year			\$ -	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 PLANNING PROGRAMS FUND  
 PLANNING ADMINISTRATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>Revenues</b>				
City and county	\$ -	\$ -	\$ 2,650	\$ 2,650
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>2,650</u>	<u>2,650</u>
<b>Expenditures</b>				
Current:				
Planning services				
Salaries and wages	4,082	4,082	3,521	561
Fringe benefits	1,830	1,830	1,690	140
Supplies and materials	13	13	46	(33)
Travel	359	359	1,394	(1,035)
Other	3,572	3,572	390	3,182
Indirect costs	-	-	3,170	(3,170)
<b>Total expenditures</b>	<u>9,856</u>	<u>9,856</u>	<u>10,211</u>	<u>(355)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,856)</u>	<u>(9,856)</u>	<u>(7,561)</u>	<u>2,295</u>
<b>Other financing sources</b>				
Transfers in	<u>9,856</u>	<u>9,856</u>	<u>7,561</u>	<u>(2,295)</u>
<b>Total other financing sources</b>	<u>9,856</u>	<u>9,856</u>	<u>7,561</u>	<u>(2,295)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year			<u>-</u>	
Fund balance - end of year			<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 PLANNING PROGRAMS FUND  
 PLANNING SPECIAL SERVICES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>Revenues</b>				
Federal	\$ 16,579	\$ 16,579	\$ 18,266	\$ 1,687
City and county	13,781	13,781	9,371	(4,410)
<b>Total revenues</b>	<b>30,360</b>	<b>30,360</b>	<b>27,637</b>	<b>(2,723)</b>
<b>Expenditures</b>				
Current:				
Planning services				
Salaries and wages	10,582	10,582	11,999	(1,417)
Fringe benefits	4,832	4,832	5,482	(650)
Supplies and materials	258	258	-	258
Travel	6,158	6,158	479	5,679
Other	1,181	1,181	70	1,111
Indirect costs	9,118	9,118	8,876	242
<b>Total expenditures</b>	<b>32,129</b>	<b>32,129</b>	<b>26,906</b>	<b>5,223</b>
Excess (deficiency) of Revenues over (under) Expenditures	(1,769)	(1,769)	731	2,500
Other financing sources				
Transfers in	1,769	1,769	(731)	(2,500)
<b>Total other financing sources</b>	<b>1,769</b>	<b>1,769</b>	<b>(731)</b>	<b>(2,500)</b>
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning of year			-	
Fund balance - end of year			\$ -	

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GEORGIA MOUNTAINS REGIONAL COMMISSION  
DCA PROGRAMS FUND  
GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS  
BALANCE SHEET  
JUNE 30, 2011

**ASSETS**

Receivables	
State	<u>\$ 103,841</u>
Total assets	<u><u>\$ 103,841</u></u>

**LIABILITIES AND FUND BALANCE**

<b>LIABILITIES</b>	
Interfund payable	<u>\$ 103,841</u>
Total liabilities	<u>103,841</u>
 <b>FUND BALANCE</b>	
Assigned	<u>-</u>
Total fund balance	<u>-</u>
 Total liabilities and fund balance	<u><u>\$ 103,841</u></u>

GEORGIA MOUNTAINS REGIONAL COMMISSION

DCA PROGRAMS FUND  
 GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues	
State	\$ 225,922
Total revenues	<u>225,922</u>
Expenditures	
Current:	
Planning services	
Salaries and wages	101,771
Fringe benefits	46,589
Repairs and maintenance	5,761
Travel	3,678
Other	47
Indirect costs	<u>78,127</u>
Total expenditures	<u>235,973</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(10,051)</u>
Other financing sources	
Transfers in	<u>10,051</u>
Total other financing sources	<u>10,051</u>
Net change in fund balance	-
Fund balance - beginning of year	<u>-</u>
Fund balance - end of year	<u>\$ -</u>



GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 DCA PROGRAMS FUND

GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>Revenues</b>				
State	\$ 238,661	\$ 238,661	\$ 225,922	\$ (12,739)
<b>Total revenues</b>	<u>238,661</u>	<u>238,661</u>	<u>225,922</u>	<u>(12,739)</u>
<b>Expenditures</b>				
Current:				
Planning services				
Salaries and wages	111,834	111,834	101,771	10,063
Fringe benefits	49,920	49,920	46,589	3,331
Supplies and materials	194	194	-	194
Repairs and maintenance	-	-	5,761	(5,761)
Travel	3,479	3,479	3,678	(199)
Other	3,995	3,995	47	3,948
Indirect costs	95,758	95,758	78,127	17,631
<b>Total expenditures</b>	<u>265,180</u>	<u>265,180</u>	<u>235,973</u>	<u>29,207</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(26,519)</u>	<u>(26,519)</u>	<u>(10,051)</u>	<u>16,468</u>
<b>Other financing sources</b>				
Transfers in	26,519	26,519	10,051	(16,468)
<b>Total other financing sources</b>	<u>26,519</u>	<u>26,519</u>	<u>10,051</u>	<u>(16,468)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year			-	
Fund balance - end of year			<u>\$ -</u>	

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GEORGIA MOUNTAINS REGIONAL COMMISSION

DOT PROGRAMS FUND  
GEORGIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET  
JUNE 30, 2011

**ASSETS**

Receivables	
Federal	<u>\$ 18,443</u>
Total assets	<u><u>\$ 18,443</u></u>

**LIABILITIES AND FUND BALANCE**

LIABILITIES	
Interfund payable	<u>\$ 18,443</u>
Total liabilities	<u>18,443</u>
FUND BALANCE	
Assigned	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 18,443</u></u>

GEORGIA MOUNTAINS REGIONAL COMMISSION

DOT PROGRAMS FUND

GEORGIA DEPARTMENT OF TRANSPORTATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues		
Federal		\$ 84,074
		<hr/>
Total revenues		84,074
		<hr/>
Expenditures		
Current:		
Planning services		
Salaries and wages		45,542
Fringe benefits		21,123
Supplies and materials		40
Travel		1,801
Other		761
Indirect costs		35,651
		<hr/>
Total expenditures		104,918
		<hr/>
Excess/(deficiency) of revenues over/(under) expenditures		(20,844)
		<hr/>
Other financing sources		
Transfers in		20,844
		<hr/>
Total other financing sources		20,844
		<hr/>
Net change in fund balance		-
		<hr/>
Fund balance - beginning of year		-
		<hr/>
Fund balance - end of year		\$ -
		<hr/> <hr/>

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 DOT PROGRAMS FUND  
 GEORGIA DEPARTMENT OF TRANSPORTATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
Revenues				
Federal	\$ 81,600	\$ 81,600	\$ 84,074	\$ 2,474
Total revenues	<u>81,600</u>	<u>81,600</u>	<u>84,074</u>	<u>2,474</u>
Expenditures				
Current:				
Planning services				
Salaries and wages	43,724	43,724	45,542	(1,818)
Fringe benefits	19,606	19,606	21,123	(1,517)
Supplies and materials	50	50	40	10
Travel	1,000	1,000	1,801	(801)
Other	50	50	761	(711)
Indirect costs	37,570	37,570	35,651	1,919
Total expenditures	<u>102,000</u>	<u>102,000</u>	<u>104,918</u>	<u>(2,918)</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(20,400)</u>	<u>(20,400)</u>	<u>(20,844)</u>	<u>(444)</u>
Other financing sources				
Transfers in	20,400	20,400	20,844	444
Total other financing sources	<u>20,400</u>	<u>20,400</u>	<u>20,844</u>	<u>444</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year			<u>-</u>	
Fund balance - end of year			<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 DOT PROGRAMS FUND  
 GEORGIA DEPARTMENT OF TRANSPORTATION  
 TRANSPORTATION RELATED SERVICES - FY11  
 PROJECT ID 0006071  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
Revenues				
Federal	\$ 81,600	\$ 81,600	\$ 84,074	\$ 2,474
Total revenues	81,600	81,600	84,074	2,474
Expenditures				
Current:				
Planning services				
Salaries and wages	43,724	43,724	45,542	(1,818)
Fringe benefits	19,606	19,606	21,123	(1,517)
Supplies and materials	50	50	40	10
Travel	1,000	1,000	1,801	(801)
Other	50	50	761	(711)
Indirect costs	37,570	37,570	35,651	1,919
Total expenditures	102,000	102,000	104,918	(2,918)
Excess/(deficiency) of revenues over/(under) expenditures	(20,400)	(20,400)	(20,844)	(444)
Other financing sources				
Transfers in	20,400	20,400	20,844	444
Total other financing sources	20,400	20,400	20,844	444
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning of year			-	
Fund balance - end of year			\$ -	

GEORGIA MOUNTAINS REGIONAL COMMISSION

ARC PROGRAMS FUND  
APPALACHIAN REGIONAL COMMISSION  
BALANCE SHEET  
JUNE 30, 2011

ASSETS

Receivables	
Federal	\$ 4,980
Interfund	41,663
	<hr/>
Total assets	\$ 46,643
	<hr/> <hr/>

LIABILITIES AND FUND BALANCE

LIABILITIES	
Accounts payable	\$ 24
Unobligated grant balance payable	3,996
Deferred revenue	42,623
	<hr/>
Total liabilities	46,643
	<hr/>
FUND BALANCE	
Assigned	-
	<hr/>
Total fund balance	-
	<hr/>
Total liabilities and fund balance	\$ 46,643
	<hr/> <hr/>

GEORGIA MOUNTAINS REGIONAL COMMISSION

ARC PROGRAMS FUND

APPALACHIAN REGIONAL COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues		
Federal		\$ 177,401
		<u>177,401</u>
Total revenues		<u>177,401</u>
Expenditures		
Current:		
Development services		
Salaries and wages		151,450
Fringe benefits		68,612
Travel		10,446
Other		2,662
Indirect costs		<u>113,526</u>
Total expenditures		<u>346,696</u>
Excess/(deficiency) of revenues over/(under) expenditures		<u>(169,295)</u>
Other financing sources		
Transfers in		<u>169,295</u>
Total other financing sources		<u>169,295</u>
Net change in fund balance		-
Fund balance - beginning of year		<u>-</u>
Fund balance - end of year		<u><u>\$ -</u></u>



GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 ARC PROGRAMS FUND  
 APPALACHIAN REGIONAL COMMISSION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
Revenues			
Federal	\$ 178,938	\$ 177,401	\$ (1,537)
Total revenues	<u>178,938</u>	<u>177,401</u>	<u>(1,537)</u>
Expenditures			
Current:			
Development services			
Salaries and wages	154,241	151,450	2,791
Fringe benefits	67,683	68,612	(929)
Supplies and materials	500	-	500
Travel	11,746	10,446	1,300
Other	6,960	2,662	4,298
Indirect costs	<u>111,506</u>	<u>113,526</u>	<u>(2,020)</u>
Total expenditures	<u>352,636</u>	<u>346,696</u>	<u>5,940</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(173,698)</u>	<u>(169,295)</u>	<u>4,403</u>
Other financing sources			
Transfers in	<u>173,698</u>	<u>169,295</u>	<u>(4,403)</u>
Total other financing sources	<u>173,698</u>	<u>169,295</u>	<u>(4,403)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 ARC PROGRAMS FUND  
 APPALACHIAN REGIONAL COMMISSION - FY10  
 NO. GA-0701B-C41  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
Revenues			
Federal	\$ 87,761	\$ 87,761	\$ -
Total revenues	<u>87,761</u>	<u>87,761</u>	<u>-</u>
Expenditures			
Current:			
Development services			
Salaries and wages	69,586	74,209	(4,623)
Fringe benefits	35,825	33,254	2,571
Supplies and materials	500	-	500
Travel	4,987	3,411	1,576
Other	2,995	2,037	958
Indirect costs	61,629	59,785	1,844
Total expenditures	<u>175,522</u>	<u>172,696</u>	<u>2,826</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(87,761)</u>	<u>(84,935)</u>	<u>2,826</u>
Other financing sources			
Transfers in	<u>87,761</u>	<u>84,935</u>	<u>(2,826)</u>
Total other financing sources	<u>87,761</u>	<u>84,935</u>	<u>(2,826)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
ARC PROGRAMS FUND

APPALACHIAN REGIONAL COMMISSION - FY11

NO. GA-0701B-C42

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
Revenues			
Federal	\$ 82,572	\$ 81,235	\$ (1,337)
Total revenues	<u>82,572</u>	<u>81,235</u>	<u>(1,337)</u>
Expenditures			
Current:			
Development services			
Salaries and wages	76,050	72,111	3,939
Fringe benefits	31,858	32,942	(1,084)
Travel	6,759	7,035	(276)
Other	600	625	(25)
Indirect costs	49,877	49,758	119
Total expenditures	<u>165,144</u>	<u>162,471</u>	<u>2,673</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(82,572)</u>	<u>(81,236)</u>	<u>1,336</u>
Other financing sources			
Transfers in	<u>82,572</u>	<u>81,236</u>	<u>(1,336)</u>
Total other financing sources	<u>82,572</u>	<u>81,236</u>	<u>(1,336)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 ARC PROGRAMS FUND  
 APPALACHIAN REGIONAL COMMISSION  
 NO. GA-16236-09  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
Revenues			
Federal	\$ 8,605	\$ 8,405	\$ (200)
Total revenues	<u>8,605</u>	<u>8,405</u>	<u>(200)</u>
Expenditures			
Current:			
Development services			
Salaries and wages	8,605	5,130	3,475
Fringe benefits	-	2,416	(2,416)
Indirect costs	3,365	3,983	(618)
Total expenditures	<u>11,970</u>	<u>11,529</u>	<u>441</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(3,365)</u>	<u>(3,124)</u>	<u>241</u>
Other financing sources			
Transfers in	<u>3,365</u>	<u>3,124</u>	<u>(241)</u>
Total other financing sources	<u>3,365</u>	<u>3,124</u>	<u>(241)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

EDA PROGRAMS FUND  
ECONOMIC DEVELOPMENT ADMINISTRATION  
BALANCE SHEET  
JUNE 30, 2011

**ASSETS**

Receivables	
Federal	\$ 1,431
Interfund receivable	<u>7,781</u>
Total assets	<u><u>\$ 9,212</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$ 137
Deferred revenue	<u>9,075</u>
Total liabilities	<u>9,212</u>

**FUND BALANCE**

Assigned	<u>-</u>
Total fund balance	<u>-</u>

Total liabilities and fund balance	<u><u>\$ 9,212</u></u>
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GEORGIA MOUNTAINS REGIONAL COMMISSION

EDA PROGRAMS FUND  
 ECONOMIC DEVELOPMENT ADMINISTRATION  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues		
Federal		\$ 57,928
		<u>57,928</u>
Total revenues		<u>57,928</u>
Expenditures		
Current:		
Development services		
Salaries and wages		46,941
Fringe benefits		22,011
Supplies and materials		8
Travel		3,333
Other		1,447
Indirect costs		34,956
		<u>108,696</u>
Total expenditures		<u>108,696</u>
Excess/(deficiency) of revenues over/(under) expenditures		<u>(50,768)</u>
Other financing sources		
Transfers in		<u>50,768</u>
Total other financing sources		<u>50,768</u>
Net change in fund balance		-
Fund balance - beginning of year		<u>-</u>
Fund balance - end of year		<u>\$ -</u>

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 EDA PROGRAMS FUND  
 ECONOMIC DEVELOPMENT ADMINISTRATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
Revenues			
Federal	\$ 72,185	\$ 57,928	\$ (14,257)
Total revenues	<u>72,185</u>	<u>57,928</u>	<u>(14,257)</u>
Expenditures			
Current:			
Development services			
Salaries and wages	61,305	46,941	14,364
Fringe benefits	19,723	22,011	(2,288)
Supplies and materials	214	8	206
Travel	5,799	3,333	2,466
Other	995	1,448	(453)
Indirect costs	48,951	34,955	13,996
Total expenditures	<u>136,987</u>	<u>108,696</u>	<u>28,291</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(64,802)</u>	<u>(50,768)</u>	<u>14,034</u>
Other financing sources			
Transfers in	<u>64,802</u>	<u>50,768</u>	<u>(14,034)</u>
Total other financing sources	<u>64,802</u>	<u>50,768</u>	<u>(14,034)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 EDA PROGRAMS FUND  
 ECONOMIC DEVELOPMENT ADMINISTRATION  
 NO. 04-83-06001-01  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
Revenues			
Federal	\$ 37,220	\$ 37,220	\$ -
Total revenues	<u>37,220</u>	<u>37,220</u>	<u>-</u>
Expenditures			
Current:			
Development services			
Salaries and wages	33,871	29,736	4,135
Fringe benefits	7,422	14,138	(6,716)
Supplies and materials	209	-	209
Travel	3,056	2,100	956
Other	670	1,348	(678)
Indirect costs	25,294	23,241	2,053
Total expenditures	<u>70,522</u>	<u>70,563</u>	<u>(41)</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(33,302)</u>	<u>(33,343)</u>	<u>(41)</u>
Other financing sources			
Transfers in	<u>33,302</u>	<u>33,343</u>	<u>41</u>
Total other financing sources	<u>33,302</u>	<u>33,343</u>	<u>41</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	



GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 EDA PROGRAMS FUND  
 ECONOMIC DEVELOPMENT ADMINISTRATION  
 NO. 04-83-06498  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
Revenues			
Federal	\$ 31,500	\$ 17,425	\$ (14,075)
Total revenues	<u>31,500</u>	<u>17,425</u>	<u>(14,075)</u>
Expenditures			
Current:			
Development services			
Salaries and wages	26,000	15,712	10,288
Fringe benefits	11,658	7,224	4,434
Travel	2,585	1,132	1,453
Other	325	100	225
Indirect costs	22,432	10,682	11,750
Total expenditures	<u>63,000</u>	<u>34,850</u>	<u>28,150</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(31,500)</u>	<u>(17,425)</u>	<u>14,075</u>
Other financing sources			
Transfers in	<u>31,500</u>	<u>17,425</u>	<u>(14,075)</u>
Total other financing sources	<u>31,500</u>	<u>17,425</u>	<u>(14,075)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 EDA PROGRAMS FUND  
 ECONOMIC DEVELOPMENT ADMINISTRATION  
 CITY OF LAVONIA  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
Revenues			
Federal	\$ 3,465	\$ 3,283	\$ (182)
Total revenues	<u>3,465</u>	<u>3,283</u>	<u>(182)</u>
Expenditures			
Current:			
Development services			
Salaries and wages	1,434	1,493	(59)
Fringe benefits	643	649	(6)
Supplies and materials	5	8	(3)
Travel	158	101	57
Indirect costs	1,225	1,032	193
Total expenditures	<u>3,465</u>	<u>3,283</u>	<u>182</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

INFORMATION/GIS PROGRAMS FUND  
BALANCE SHEET  
JUNE 30, 2011

**ASSETS**

Receivables	
City and county	\$ 5,396
	<hr/>
Total assets	\$ 5,396
	<hr/> <hr/>

**LIABILITIES AND FUND BALANCE**

<b>LIABILITIES</b>	
Deferred revenue	\$ 1,243
Interfund payable	4,153
	<hr/>
Total liabilities	5,396
	<hr/>
<b>FUND BALANCE</b>	
Assigned	-
	<hr/>
Total fund balance	-
	<hr/>
 Total liabilities and fund balance	 \$ 5,396
	<hr/> <hr/>

GEORGIA MOUNTAINS REGIONAL COMMISSION

INFORMATION/GIS PROGRAMS FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues	
City and county	\$ 25,742
Other	255
	<hr/>
Total revenues	25,997
	<hr/>
Expenditures	
Current:	
Information / GIS services	
Salaries and wages	25,802
Fringe benefits	11,905
Supplies and materials	665
Repairs and maintenance	421
Travel	2,490
Other	270
Indirect costs	19,283
	<hr/>
Total expenditures	60,836
	<hr/>
Excess/(deficiency) of revenues over/(under) expenditures	(34,839)
	<hr/>
Other financing sources	
Transfers in	34,839
	<hr/>
Total other financing sources	34,839
	<hr/>
Net change in fund balance	-
	<hr/>
Fund balance - beginning of year	-
	<hr/>
Fund balance - end of year	\$ -
	<hr/> <hr/>

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 INFORMATION / GIS PROGRAMS FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>Revenues</b>			
City and county	\$ 123,339	\$ 25,742	\$ (97,597)
Other	-	255	255
<b>Total revenues</b>	<b>123,339</b>	<b>25,997</b>	<b>(97,342)</b>
<b>Expenditures</b>			
<b>Current:</b>			
<b>Information / GIS services</b>			
Salaries and wages	67,113	25,802	41,311
Fringe benefits	30,094	11,905	18,189
Supplies and materials	903	665	238
Repairs and maintenance	-	421	(421)
Travel	4,749	2,490	2,259
Other	10,308	270	10,038
Indirect costs	57,671	19,283	38,388
<b>Total expenditures</b>	<b>170,838</b>	<b>60,836</b>	<b>110,002</b>
<b>Excess/(deficiency) of revenues over/(under) expenditures</b>	<b>(47,499)</b>	<b>(34,839)</b>	<b>12,660</b>
<b>Other financing sources</b>			
Transfers in	47,499	34,839	(12,660)
<b>Total other financing sources</b>	<b>47,499</b>	<b>34,839</b>	<b>(12,660)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance - beginning of year		-	
Fund balance - end of year		<b>\$ -</b>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 INFORMATION / GIS PROGRAMS FUND  
 INFORMATION/GIS PROGRAMS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>Revenues</b>			
City and county	\$ 123,339	\$ 25,742	\$ (97,597)
Other	-	255	255
<b>Total revenues</b>	<b>123,339</b>	<b>25,997</b>	<b>(97,342)</b>
<b>Expenditures</b>			
<b>Current:</b>			
Information / GIS services			
Salaries and wages	67,113	25,802	41,311
Fringe benefits	30,094	11,905	18,189
Supplies and materials	903	665	238
Travel	-	2,490	(2,490)
Repairs and maintenance	4,749	421	4,328
Other	10,308	270	10,038
Indirect costs	57,671	19,283	38,388
<b>Total expenditures</b>	<b>170,838</b>	<b>60,836</b>	<b>110,002</b>
<b>Excess/(deficiency) of revenues over/(under) expenditures</b>	<b>(47,499)</b>	<b>(34,839)</b>	<b>12,660</b>
<b>Other financing sources</b>			
Transfers in	47,499	34,839	(12,660)
<b>Total other financing sources</b>	<b>47,499</b>	<b>34,839</b>	<b>(12,660)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance - beginning of year		-	
Fund balance - end of year		<b>\$ -</b>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2011

	GDNR Historic Preservation	EPA TMDL Section 106	Economic Development Special Services	CDBG Programs	Nonmajor Special Revenue Funds	Total
	\$ -	\$ 7,441	\$ 2,072	\$ 27,176	\$ -	\$ 36,689
	-	-	4,986	-	-	4,986
Interfund receivable	3,525	-	-	-	-	3,525
Total assets	\$ 3,525	\$ 7,441	\$ 7,058	\$ 27,176	\$ -	\$ 45,200

LIABILITIES AND FUND BALANCE

LIABILITIES						
Accounts payable	\$ -	\$ 635	\$ -	\$ -	\$ -	\$ 635
Deferred revenue	3,525	-	-	-	-	3,525
Interfund payable	-	6,806	7,058	27,176	-	41,040
Total liabilities	3,525	7,441	7,058	27,176	-	45,200
FUND BALANCE						
Assigned	-	-	-	-	-	-
Total fund balance	-	-	-	-	-	-
Total liabilities and fund balance	\$ 3,525	\$ 7,441	\$ 7,058	\$ 27,176	\$ -	\$ 45,200

GEORGIA MOUNTAINS REGIONAL COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	GDNR Historic Preservation	EPA TMDL Section 106	Economic Development Special Services	CDBG Programs	Special Revenue Funds	Total Nonmajor Special Revenue Funds
Revenues						
Federal	\$ -	\$ 24,194	\$ 10,418	\$ 42,729	\$	77,341
State	11,293	-	-	-	-	11,293
City and county	-	-	19,762	-	-	19,762
Total revenues	11,293	24,194	30,180	42,729		108,396
Expenditures						
Current:						
Planning services	11,293	24,168	-	-	-	35,461
Development services	-	-	25,461	42,795	-	68,256
Total expenditures	11,293	24,168	25,461	42,795		103,717
Excess/(Deficiency) of revenues over/(under) expenditures	-	26	4,719	(66)		4,679
Other financing sources						
Transfers in	-	-	-	66		66
Transfers out	-	(26)	(4,719)	-		(4,745)
Total other financing sources	-	(26)	(4,719)	66		(4,679)
Net change in fund balance	-	-	-	-		-
Fund balance - beginning of year	-	-	-	-		-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



GEORGIA MOUNTAINS REGIONAL COMMISSION  
GEORGIA DEPARTMENT OF NATURAL RESOURCES  
GDNR HISTORIC PRESERVATION FUND  
HISTORIC PRESERVATION DIVISION  
BALANCE SHEET  
JUNE 30, 2011

**ASSETS**

Receivables	
Interfund receivable	\$ 3,525
	<hr/>
Total assets	\$ 3,525
	<hr/> <hr/>

**LIABILITIES AND FUND BALANCE**

<b>LIABILITIES</b>	
Deferred revenue	\$ 3,525
	<hr/>
Total liabilities	3,525
	<hr/>
<b>FUND BALANCE</b>	
Assigned	-
	<hr/>
Total fund balance	-
	<hr/>
Total liabilities and fund balance	\$ 3,525
	<hr/> <hr/>

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 GDNR HISTORIC PRESERVATION FUND  
 GEORGIA DEPARTMENT OF NATURAL RESOURCES  
 HISTORIC PRESERVATION DIVISION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
Revenues			
State	\$ 14,818	\$ 11,293	\$ (3,525)
Total revenues	<u>14,818</u>	<u>11,293</u>	<u>(3,525)</u>
Expenditures			
Current:			
Planning services			
Salaries and wages	12,146	5,112	7,034
Fringe benefits	5,450	2,272	3,178
Supplies and materials	50	-	50
Travel	1,500	56	1,444
Other	50	-	50
Indirect costs	10,440	3,853	6,587
Total expenditures	<u>29,636</u>	<u>11,293</u>	<u>18,343</u>
Excess/(Deficiency) of revenues over/(under) expenditures	<u>(14,818)</u>	<u>-</u>	<u>14,818</u>
Other financing sources			
Transfers in	<u>14,818</u>	<u>-</u>	<u>(14,818)</u>
Total other financing sources	<u>14,818</u>	<u>-</u>	<u>(14,818)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION  
 EPD TMDL  
 GEORGIA DEPARTMENT OF NATURAL RESOURCES  
 ENVIRONMENTAL PROTECTION DIVISION  
 TOTAL MAXIMUM DAILY LOAD PLANNING GRANT  
 BALANCE SHEET  
 JUNE 30, 2011

**ASSETS**

Receivables	
Federal	\$ 7,441
Total assets	\$ 7,441

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$ 635
Interfund payable	6,806
Total liabilities	7,441

**FUND BALANCE**

Assigned	-
Total fund balance	-
Total liabilities and fund balance	\$ 7,441

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 EPD TMDL

GEORGIA DEPARTMENT OF NATURAL RESOURCES  
 ENVIRONMENTAL PROTECTION DIVISION  
 TOTAL MAXIMUM DAILY LOAD PLANNING GRANT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
Revenues			
Federal	\$ 42,072	\$ 24,194	\$ (17,878)
Total revenues	<u>42,072</u>	<u>24,194</u>	<u>(17,878)</u>
Expenditures			
Current:			
Planning services			
Salaries and wages	16,300	10,295	6,005
Fringe benefits	7,913	4,526	3,387
Supplies and materials	125	-	125
Travel	1,100	207	893
Other	350	1,257	(907)
Indirect costs	16,284	7,883	8,401
Total expenditures	<u>42,072</u>	<u>24,168</u>	<u>17,904</u>
Excess/(Deficiency) of revenues over/(under) expenditures	<u>-</u>	<u>26</u>	<u>26</u>
Other financing sources			
Transfers out	<u>-</u>	<u>(26)</u>	<u>(26)</u>
Total other financing sources	<u>-</u>	<u>(26)</u>	<u>(26)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 GEORGIA DEPARTMENT OF NATURAL RESOURCES  
 ENVIRONMENTAL PROTECTION DIVISION  
 LOCAL COMP WATER  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
Revenues			
Federal	\$ 2,500	\$ 2,500	\$ -
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Expenditures			
Current:			
Planning services			
Salaries and wages	965	766	199
Fringe benefits	432	343	89
Supplies and materials	25	-	25
Travel	100	43	57
Other	150	-	150
Indirect costs	828	680	148
Total expenditures	<u>2,500</u>	<u>1,832</u>	<u>668</u>
Excess/(Deficiency) of revenues over/(under) expenditures	<u>-</u>	<u>668</u>	<u>668</u>
Other financing sources			
Transfers out	<u>-</u>	<u>(668)</u>	<u>(668)</u>
Total other financing sources	<u>-</u>	<u>(668)</u>	<u>(668)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 GEORGIA DEPARTMENT OF NATURAL RESOURCES  
 ENVIRONMENTAL PROTECTION DIVISION  
 TOTAL MAXIMUM DAILY LOAD PLANNING GRANT - SECTION 106 - FY10  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
Revenues			
Federal	\$ 25,000	\$ 14,253	\$ (10,747)
Total revenues	<u>25,000</u>	<u>14,253</u>	<u>(10,747)</u>
Expenditures			
Current:			
Planning services			
Salaries and wages	10,190	6,222	3,968
Fringe benefits	5,199	2,830	2,369
Supplies and materials	50	-	50
Travel	500	164	336
Other	100	622	(522)
Indirect costs	8,961	5,057	3,904
Total expenditures	<u>25,000</u>	<u>14,895</u>	<u>10,105</u>
Excess/(Deficiency) of revenues over/(under) expenditures	<u>-</u>	<u>(642)</u>	<u>(642)</u>
Other financing sources			
Transfers in	<u>-</u>	<u>642</u>	<u>642</u>
Total other financing sources	<u>-</u>	<u>642</u>	<u>642</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 GEORGIA DEPARTMENT OF NATURAL RESOURCES  
 ENVIRONMENTAL PROTECTION DIVISION  
 TOTAL MAXIMUM DAILY LOAD PLANNING GRANT - SECTION 106 - FY11  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
Revenues			
Federal	\$ 14,572	\$ 7,441	\$ (7,131)
Total revenues	<u>14,572</u>	<u>7,441</u>	<u>(7,131)</u>
Expenditures			
Current:			
Planning services			
Salaries and wages	5,145	3,307	1,838
Fringe benefits	2,282	1,353	929
Supplies and materials	50	-	50
Travel	500	-	500
Other	100	635	(535)
Indirect costs	6,495	2,146	4,349
Total expenditures	<u>14,572</u>	<u>7,441</u>	<u>7,131</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

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GEORGIA MOUNTAINS REGIONAL COMMISSION

ECONOMIC DEVELOPMENT SPECIAL SERVICES

BALANCE SHEET

JUNE 30, 2011

**ASSETS**

Receivables	
Federal	\$ 2,072
Local	<u>4,986</u>
Total assets	<u><u>\$ 7,058</u></u>

**LIABILITIES AND FUND BALANCE**

<b>LIABILITIES</b>	
Deferred revenue	\$ -
Interfund	<u>7,058</u>
Total liabilities	<u>7,058</u>
 <b>FUND BALANCE</b>	
Assigned	<u>-</u>
Total fund balance	<u>-</u>
 Total liabilities and fund balance	<u><u>\$ 7,058</u></u>

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 ECONOMIC DEVELOPMENT SPECIAL SERVICES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
Revenues			
Federal	\$ 14,000	\$ 10,418	\$ (3,582)
City and county	59,124	19,762	(39,362)
Total revenues	<u>73,124</u>	<u>30,180</u>	<u>(42,944)</u>
Expenditures			
Current:			
Planning services			
Salaries and wages	27,660	11,140	16,520
Fringe benefits	8,514	5,205	3,309
Supplies and materials	308	-	308
Travel	11,007	323	10,684
Other	1,670	47	1,623
Indirect costs	23,965	8,746	15,219
Total expenditures	<u>73,124</u>	<u>25,461</u>	<u>47,663</u>
Excess/(Deficiency) of revenues over/(under) expenditures	<u>-</u>	<u>4,719</u>	<u>4,719</u>
Other financing sources			
Transfers out	-	(4,719)	(4,719)
Total other financing sources	<u>-</u>	<u>(4,719)</u>	<u>(4,719)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

CDBG PROGRAM FUND  
BALANCE SHEET  
JUNE 30, 2011

**ASSETS**

Receivables	
Federal	<u>\$ 27,176</u>
Total assets	<u><u>\$ 27,176</u></u>

**LIABILITIES AND FUND BALANCE**

<b>LIABILITIES</b>	
Interfund payable	<u>\$ 27,176</u>
Total liabilities	<u>27,176</u>

<b>FUND BALANCE</b>	
Assigned	<u>-</u>
Total fund balance	<u>-</u>

Total liabilities and fund balance	<u><u>\$ 27,176</u></u>
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GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 CDBG PROGRAMS FUND  
 COMMUNITY DEVELOPMENT BLOCK GRANT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
<b>Revenues</b>			
Federal	\$ 69,693	\$ 42,729	\$ (26,964)
Total revenues	<u>69,693</u>	<u>42,729</u>	<u>(26,964)</u>
<b>Expenditures</b>			
Current:			
Development services			
Salaries and wages	30,481	18,587	11,894
Fringe benefits	7,735	8,780	(1,045)
Supplies and materials	78	32	46
Travel	4,773	1,312	3,461
Other	78	-	78
Indirect costs	26,548	14,084	12,464
Total expenditures	<u>69,693</u>	<u>42,795</u>	<u>26,898</u>
Excess/(Deficiency) of revenues over/(under) expenditures	-	(66)	(66)
<b>Other financing sources</b>			
Transfers in	-	66	66
Total other financing sources	<u>-</u>	<u>66</u>	<u>66</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 CDBG PROGRAMS FUND  
 COMMUNITY DEVELOPMENT BLOCK GRANT - EIP  
 CITY OF BLAIRSVILLE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
Revenues			
Federal	\$ 11,265	\$ 10,008	\$ (1,257)
Total revenues	<u>11,265</u>	<u>10,008</u>	<u>(1,257)</u>
Expenditures			
Current:			
Development services			
Salaries and wages	5,224	4,309	915
Fringe benefits	341	1,986	(1,645)
Supplies and materials	17	-	17
Travel	1,083	331	752
Other	17	-	17
Indirect costs	4,583	3,382	1,201
Total expenditures	<u>11,265</u>	<u>10,008</u>	<u>1,257</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 CDBG PROGRAMS FUND  
 COMMUNITY DEVELOPMENT BLOCK GRANT - EIP  
 CITY OF DAHLONEGA  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
Revenues			
Federal	\$ 161	\$ 161	\$ -
Total revenues	<u>161</u>	<u>161</u>	<u>-</u>
Expenditures			
Current:			
Development services			
Salaries and wages	75	98	(23)
Fringe benefits	5	33	(28)
Travel	15	9	6
Indirect costs	66	87	(21)
Total expenditures	<u>161</u>	<u>227</u>	<u>(66)</u>
Excess/(Deficiency) of revenues over/(under) expenditures	<u>-</u>	<u>(66)</u>	<u>(66)</u>
Other financing sources			
Transfers in	-	66	66
Total other financing sources	<u>-</u>	<u>66</u>	<u>66</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 CDBG PROGRAMS FUND  
 COMMUNITY DEVELOPMENT BLOCK GRANT - EIP  
 HART COUNTY  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
<b>Revenues</b>			
Federal	\$ 13,892	\$ 8,115	\$ (5,777)
<b>Total revenues</b>	<u>13,892</u>	<u>8,115</u>	<u>(5,777)</u>
<b>Expenditures</b>			
Current:			
Development services			
Salaries and wages	6,442	3,507	2,935
Fringe benefits	420	1,691	(1,271)
Supplies and materials	21	-	21
Travel	1,335	222	1,113
Other	21	-	21
Indirect costs	5,653	2,695	2,958
<b>Total expenditures</b>	<u>13,892</u>	<u>8,115</u>	<u>5,777</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 CDBG PROGRAMS FUND  
 COMMUNITY DEVELOPMENT BLOCK GRANT - EIP  
 CITY OF ROYSTON  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
<b>Revenues</b>			
Federal	\$ 9,009	\$ 4,846	\$ (4,163)
<b>Total revenues</b>	<b>9,009</b>	<b>4,846</b>	<b>(4,163)</b>
<b>Expenditures</b>			
Current:			
Development services			
Salaries and wages	3,728	2,078	1,650
Fringe benefits	1,672	941	731
Supplies and materials	7	8	(1)
Travel	410	307	103
Other	7	-	7
Indirect costs	3,185	1,512	1,673
<b>Total expenditures</b>	<b>9,009</b>	<b>4,846</b>	<b>4,163</b>
Net change in fund balance	\$ -	-	\$ -
Fund balance - beginning of year		-	
Fund balance - end of year		\$ -	



GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 CDBG PROGRAMS FUND  
 COMMUNITY DEVELOPMENT BLOCK GRANT - EIP  
 LUMPKIN COUNTY  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
<b>Revenues</b>			
Federal	\$ 9,281	\$ 4,490	\$ (4,791)
<b>Total revenues</b>	<b>9,281</b>	<b>4,490</b>	<b>(4,791)</b>
<b>Expenditures</b>			
Current:			
Development services			
Salaries and wages	4,304	1,956	2,348
Fringe benefits	281	908	(627)
Supplies and materials	14	-	14
Travel	891	106	785
Other	14	-	14
Indirect costs	3,777	1,520	2,257
<b>Total expenditures</b>	<b>9,281</b>	<b>4,490</b>	<b>4,791</b>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 CDBG PROGRAMS FUND  
 COMMUNITY DEVELOPMENT BLOCK GRANT - EIP  
 CITY OF CORNELIA  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
Revenues			
Federal	\$ 10,845	\$ 3,874	\$ (6,971)
Total revenues	<u>10,845</u>	<u>3,874</u>	<u>(6,971)</u>
Expenditures			
Current:			
Development services			
Salaries and wages	4,488	1,669	2,819
Fringe benefits	2,012	804	1,208
Supplies and materials	8	8	-
Travel	494	157	337
Other	8	-	8
Indirect costs	3,835	1,236	2,599
Total expenditures	<u>10,845</u>	<u>3,874</u>	<u>6,971</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 CDBG PROGRAMS FUND  
 COMMUNITY DEVELOPMENT BLOCK GRANT - EIP  
 TOWNS COUNTY  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
<b>Revenues</b>			
Federal	\$ 8,272	\$ 4,980	\$ (3,292)
<b>Total revenues</b>	<u>8,272</u>	<u>4,980</u>	<u>(3,292)</u>
<b>Expenditures</b>			
Current:			
Development services			
Salaries and wages	3,374	2,209	1,165
Fringe benefits	1,631	1,016	615
Supplies and materials	6	8	(2)
Travel	297	147	150
Other	6	-	6
Indirect costs	2,958	1,600	1,358
<b>Total expenditures</b>	<u>8,272</u>	<u>4,980</u>	<u>3,292</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 CDBG PROGRAMS FUND  
 COMMUNITY DEVELOPMENT BLOCK GRANT - EIP  
 LUMPKIN COUNTY - HEALTH DEPARTMENT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
Revenues			
Federal	\$ 4,968	\$ 5,458	\$ 490
Total revenues	<u>4,968</u>	<u>5,458</u>	<u>490</u>
Expenditures			
Current:			
Development services			
Salaries and wages	2,027	2,368	(341)
Fringe benefits	980	1,251	(271)
Supplies and materials	4	8	(4)
Travel	178	33	145
Other	4	-	4
Indirect costs	1,775	1,798	(23)
Total expenditures	<u>4,968</u>	<u>5,458</u>	<u>(490)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 CDBG PROGRAMS FUND  
 COMMUNITY DEVELOPMENT BLOCK GRANT - EIP  
 FRANKLIN COUNTY  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive / Negative
<b>Revenues</b>			
Federal	\$ 2,000	\$ 797	\$ (1,203)
<b>Total revenues</b>	<u>2,000</u>	<u>797</u>	<u>(1,203)</u>
<b>Expenditures</b>			
Current:			
Development services			
Salaries and wages	819	393	426
Fringe benefits	393	150	243
Supplies and materials	1	-	1
Travel	70	-	70
Other	1	-	1
Indirect costs	716	254	462
<b>Total expenditures</b>	<u>2,000</u>	<u>797</u>	<u>1,203</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

**STATE COMPLIANCE SECTION**

**GEORGIA MOUNTAIN REGIONAL COMMISSION**  
**Schedule of Federal, State and Local Contractual Assistance**  
**For the Year Ended June 30, 2011**

FUNDING AGENCY PROGRAM/GRANT	PASS-THROUGH ENTITY IDENTIFYING NUMBER	REVENUES RECEIVED IN PERIOD	EXPENDITURES IN PERIOD	FUNDS RECEIVABLE JUNE 30, 2011
<b>Federal Grants</b>				
Appalachian Regional Commission				
Appalachian Local Development District Assistance				
2010	GA-0701B-C41	\$ 87,761	\$ 172,697	-
2010	GA-16236-09	81,235	162,471	-
2011	GA-0701B-C42	8,405	14,894	4,980
Total Appalachian Regional Commission		177,401	350,062	4,980
Economic Development Administration				
District Planning Grant				
2008	04-83-06001-01	37,220	70,563	-
2011	04-83-06498	17,425	34,850	-
Pass-Through From City of Lavonia	04-01-06456	3,283	3,283	-
Total Economic Development Administration		57,928	108,696	-
Georgia Department of Natural Resources				
Environmental Protection Division				
TMDL-FFY2011 Section 604(b)		7,441	7,441	-
TMDL-FFY2010 Section 106		14,253	14,895	-
EPD-Local Comp Water		2,500	1,832	-
Total Georgia Department of Natural Resources		24,194	24,168	-
Georgia Department of Transportation				
Highway Planning and Construction				
2011 Planning	STP-0009-00(325)	81,600	105,180	-
Total Georgia Department of Transportation		81,600	105,180	-
Community Development Block Grant				
Pass-Through From				
City of Blairsville	N/A	10,006	10,006	-
City of Dalton	N/A	161	227	-
Hart County	N/A	8,115	8,115	-
Lumpkin County	N/A	4,490	4,490	-
City of Royston	10p-x-059-2-5225	4,847	4,847	-
City of Cornelia	10p-x-068-2-5224	3,874	3,874	-
Lumpkin County	N/A	5,458	5,458	-
Township	N/A	4,980	4,980	-
Franklin County	10q-y-059-1-5135	798	798	-
Total Community Development Block Grant		42,729	42,795	-

**GEORGIA MOUNTAIN REGIONAL COMMISSION**  
**Schedule of Federal, State and Local Contractual Assistance**  
**For the Year Ended June 30, 2011**

FUNDING AGENCY PROGRAM/GRANT	PASS-THROUGH ENTITY IDENTIFYING NUMBER	REVENUES RECEIVED IN PERIOD	EXPENDITURES IN PERIOD	FUNDS RECEIVABLE JUNE 30, 2011
Federal Grants, continued				
FEMA				
Pass-Through From GEMA				
Hall County	N/A	5,842	5,842	-
Lumpkin County	N/A	-	-	-
Union County	N/A	143	258	-
Banks County	N/A	3,096	3,096	-
Dawson County	N/A	1,261	1,261	-
Franklin County	N/A	1,931	1,931	-
Rabun County	N/A	2,570	2,570	-
Stephens County	N/A	3,423	3,423	-
		18,266	18,381	-
Environmental Protection Administration				
Pass-Through				
City of Lula	CWSRF 09-014	10,418	10,418	-
		412,536	659,700	4,980
Total Federal Grants				
State Grants				
Georgia Department of Community Affairs				
Coordinated Planning Work Program FY10	N/A	212,374	235,973	113,433
		212,374	235,973	113,433
Total Georgia Department of Community Affairs				
Georgia Department of Natural Resources				
Historic Preservation Services		11,293	11,293	-
GMA Wellness		1,607	1,607	-
Total State Grants		225,274	248,873	113,433
Total		\$ 637,810	\$ 908,573	\$ 118,413



GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF INDIRECT COST POOL -  
PROVISIONAL AND ACTUAL RATES  
FISCAL YEAR ENDED JUNE 30, 2011

	<u>Provisional</u>	<u>Actual</u>
Salaries and wages	\$ 234,749	\$ 206,833
Allocated fringe benefits	105,261	93,937
Supplies and materials	10,185	5,429
Travel	6,000	4,739
Utilities - electric and gas	10,800	11,325
Repairs and maintenance	20,410	16,747
Publications and printing	3,000	1,517
User charges/depreciation equipment	1,000	-
Facility operation expense	9,075	8,892
Rentals - other	8,923	8,908
Per diem and fees	21,500	20,856
Postage and freight	3,000	2,147
Other expenses	2,650	2,488
Insurance and bonding	3,000	2,952
Other income	-	(476)
	<hr/>	<hr/>
Indirect expenses available for allocation	<u>\$ 439,553</u>	<u>\$ 386,294</u>

COMPUTATION OF INDIRECT COST RATES

Direct salaries	\$ 511,530	\$ 503,045
Employee fringe benefits	<u>229,370</u>	<u>230,668</u>
	<hr/>	<hr/>
Allocation base - direct personnel costs	<u>\$ 740,900</u>	<u>\$ 733,713</u>
	<hr/>	<hr/>
Indirect cost rates	<u>59.33%</u>	<u>52.65%</u>

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF EMPLOYEE BENEFIT COST POOL -  
 PROVISIONAL AND ACTUAL RATES  
 FISCAL YEAR ENDED JUNE 30, 2011

	<u>Provisional</u>	<u>Actual</u>
Fringe benefits		
Retirement benefits	\$ 170,438	\$ 170,452
Payroll taxes	11,724	10,196
Group insurance	96,831	94,337
Workers compensation	5,690	5,307
Other benefits including TSA	<u>51,253</u>	<u>44,313</u>
Employee benefits available for allocation	<u>\$ 335,936</u>	<u>\$ 324,605</u>

COMPUTATION OF EMPLOYEE BENEFIT RATES

Total salaries and wages	<u>\$ 746,279</u>	<u>\$ 709,877</u>
Allocation base - salaries and wages	<u>\$ 746,279</u>	<u>\$ 709,877</u>
Employee benefit rates	<u>45.01%</u>	<u>45.73%</u>

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF FLEET COST POOL -  
PROVISIONAL AND ACTUAL RATES  
FISCAL YEAR ENDED JUNE 30, 2011

	<u>Provisional</u>	<u>Actual</u>
Gasoline expense	\$ 4,375	\$ 4,469
Depreciation	3,939	3,939
Vehicle repairs and maintenance	1,500	2,912
Vehicle insurance	<u>2,988</u>	<u>2,961</u>
Indirect expenses available for allocation	<u>\$ 12,802</u>	<u>\$ 14,281</u>

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GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF CITY/COUNTY DUES AND ASSESSMENTS  
FISCAL YEAR ENDED JUNE 30, 2011

	Balance due 06/30/10	FY '11 dues amount	Total billed for FY '11	Amount collected for FY '11	Balance due 06/30/11
<b>GOVERNMENT</b>					
Banks County	\$ -	\$ 18,436	\$ 18,436	\$ 18,436	\$ -
City of Homer	-	-	-	-	-
City of Maysville	-	-	-	-	-
Dawson County	-	24,207	24,207	24,207	-
City of Dawsonville	-	-	-	-	-
Forsyth County	-	184,866	184,866	184,866	-
City of Cumming	-	-	-	-	-
Franklin County	-	17,025	17,025	17,025	-
City of Canon	-	819	819	819	-
City of Carnesville	-	741	741	741	-
City of Franklin Springs	-	884	884	884	-
City of Lavonia	-	2,285	2,285	2,285	-
City of Royston	-	2,253	2,253	2,253	-
Habersham County	-	34,729	34,729	34,729	-
Town of Alto	-	576	576	576	-
City of Baldwin	-	2,626	2,626	2,626	-
City of Clarkesville	-	1,873	1,873	1,873	-
City of Cornelia	-	4,248	4,248	4,248	-
City of Demorest	-	1,977	1,977	1,977	-
Town of Mount Airy	-	1,258	1,258	1,258	-
Town of Tallulah Falls	-	74	74	74	-
Hall County	-	151,291	151,291	151,291	-
Town of Clermont	-	860	860	860	-
City of Flowery Branch	-	4,390	4,390	4,390	-
City of Gainesville	-	39,235	39,235	39,235	-
City of Gillsville	-	201	201	201	-
City of Lula	-	2,487	2,487	2,487	-
City of Oakwood	-	4,831	4,831	4,831	-
Hart County	-	21,978	21,978	21,978	-
City of Bowersville	-	-	-	-	-
City of Hartwell	-	4,728	4,728	4,728	-
Lumpkin County	-	24,320	24,320	24,320	-
City of Dahlonega	-	5,442	5,442	5,442	-
Subtotal	\$ -	\$ 558,640	\$ 558,640	\$ 558,640	\$ -

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF CITY/COUNTY DUES AND ASSESSMENTS  
 FISCAL YEAR ENDED JUNE 30, 2011  
 (CONTINUED)

	Balance due 06/30/10	FY '11 dues amount	Total billed for FY '11	Amount collected for FY '11	Balance due 06/30/11
<b>GOVERNMENT</b>					
Rabun County	\$ -	\$ 15,158	\$ 15,158	\$ 15,158	\$ -
City of Clayton	-	2,403	2,403	2,403	-
City of Dillard	-	257	257	257	-
City of Mountain City	-	-	-	-	-
City of Sky Valley	-	-	-	-	-
City of Tiger	-	347	347	347	-
Stephens County	-	17,977	17,977	17,977	-
City of Avalon	-	-	-	-	-
City of Martin	-	-	-	-	-
City of Toccoa	-	10,065	10,065	10,065	-
Towns County	-	12,146	12,146	12,146	-
City of Hiwassee	-	-	-	-	-
City of Young Harris	-	-	-	-	-
Union County	-	22,694	22,694	22,694	-
City of Blairsville	-	792	792	792	-
White County	-	23,990	23,990	23,990	-
City of Cleveland	-	2,914	2,914	2,914	-
City of Helen	-	925	925	925	-
Subtotal	-	109,668	109,668	109,668	-
Total	\$ -	\$ 668,308	\$ 668,308	\$ 668,308	\$ -

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**SINGLE AUDIT SECTION**



GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<b>Federal/Grantor/Pass-Through Grantor/Program Title or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>Appalachian Regional Commission</b>			
Appalachial Local Development District Assistance	23.009	GA-0701B-C41	\$ 87,761
Appalachial Local Development District Assistance	23.009	GA-0701B-C42	81,235
Subtotal for CFDA 23.009			<u>168,996</u>
Appalachial Local Development District Assistance	23.002	GA-16236-09	<u>8,405</u>
Total Direct Programs			<u>177,401</u>
Total Appalachian Regional Commission			<u>177,401</u>
<b>U.S. Department of Commerce</b>			
Direct Programs:			
Economic Development Administration Planning	11.302	04-83-06001-01	37,220
Economic Development Administration Planning	11.302	04-83-06498	<u>17,425</u>
Total Direct Programs			<u>54,645</u>
Passed through City of Lavonia, Georgia:			
Economic Development Administration Planning	11.302	04-01-06456	<u>3,283</u>
Total Pass-through Programs			<u>3,283</u>
Total U.S. Department of Commerce			<u>57,928</u>
<b>U.S. Department of Transportation</b>			
Passed through Georgia Department of Transportation:			
Transportation Highway Planning	20.205	STP-0009-00(325)	<u>84,074</u>
Total Pass-through Programs			<u>84,074</u>
Total U.S. Department of Transportation			<u>84,074</u>
<b>U.S. Department of Housing and Urban Development</b>			
Direct Programs:			
Community Development Block Grants	14.219	08p-x-144-2-5027	10,006
Community Development Block Grants	14.219	06q-x-093-2-3279	161
Community Development Block Grants	14.219	08q-y-073-1-5113	8,115
Community Development Block Grants	14.219	10p-x-059-2-5225	4,847
Community Development Block Grants	14.219	10p-x-068-2-5224	3,874
Community Development Block Grants	14.219	10p-y-093-1-5232	5,458
Community Development Block Grants	14.219	10p-y-139-1-5249	4,980
Community Development Block Grants	14.219	10q-y-059-1-5335	798
Community Development Block Grants	14.219	07p-y-093-1-3295	<u>4,490</u>
Total Direct Programs			<u>42,729</u>
Total U.S. Department of Housing and Urban Development			<u>42,729</u>

See accompanying notes to schedule of expenditures of federal awards.

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

<b>Federal/Grantor/Pass-Through Grantor/Program Title or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>Environmental Protection Division</b>			
Passed through Georgia Department of Natural Resources			
TMDL - FFY 2011 Section 604(b)	66.454	751-110060	\$ 7,441
Local Comp Water	66.454	751-110060	2,500
TMDL - FFY 2010 Section 106	66.454	751-100091	<u>14,253</u>
Total Passed through Georgia Department of Natural Resources			<u>24,194</u>
Passed through City of Lula			
ARRA-Wastewater Treatment Plant Expansion	66.458	CWSRF 09-014	<u>10,418</u>
Total Pass-through Programs			<u>10,418</u>
Total Environmental Protection Division			<u>34,612</u>
<b>Federal Emergency Management Agency</b>			
Passed through Georgia Emergency Management Agency			
Predisaster Mitigation	97.047	HHM 686059	5,842
Predisaster Mitigation	97.047	HHM 833046	1,931
Predisaster Mitigation	97.047	HHM 858024	3,423
Predisaster Mitigation	97.047	HHM 858026	3,096
Predisaster Mitigation	97.047	HHM 858030	2,570
Predisaster Mitigation	97.047	HHM 858022	1,261
Predisaster Mitigation	97.047	HHM 686065	<u>143</u>
Total Pass-through Programs			<u>18,266</u>
Total Federal Emergency Management Agency			<u>18,266</u>
Total Expenditures of Federal Awards - General Fund/Special Revenue Funds			<u>\$ 415,010</u>

See accompanying notes to schedule of expenditures of federal awards.

GEORGIA MOUNTAINS REGIONAL COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
 (CONTINUED)

<b>Federal/Grantor/Pass-Through Grantor/Program Title or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>Economic Development Administration</b>			
Direct Programs:			
Revolving Loan	11.307	04-39-03469	<u>\$ 1,093,626</u>
Total Direct Programs			<u>1,093,626</u>
Total Economic Development Administration			<u>1,093,626</u>
Total Expenditures of Federal Awards -Proprietary Fund			<u>1,093,626</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 1,508,636</u></b>

See accompanying notes to schedule of expenditures of federal awards.

GEORGIA MOUNTAINS REGIONAL COMMISSION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Georgia Mountains Regional Commission under programs of the federal government for the fiscal year ended June 30, 2011. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Because the schedule presents only a selected portion of the operations of Georgia Mountains Regional Commission, it is not intended to and does not present the financial position, changes in net assets or cash flows of Georgia Mountains Regional Commission.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for States, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

***Measurement Focus***

The determination of when an award is expended is based on when the activity related to the award occurs.

***Program Type Determination***

Type A programs are defined as Federal programs with Federal expenditures exceeding the larger of \$300,000 or three percent of total Federal expenditures. The threshold of \$300,000 was used in distinguishing between Type A and Type B programs.

***Method of Major Program Selection***

The risk-based approach was used in the selection of Federal programs to be tested as major programs. The RC did qualify as a low-risk auditee for the fiscal year ended June 30, 2011.

GEORGIA MOUNTAINS REGIONAL COMMISSION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**FEDERAL AWARD FINDINGS**

Findings Noted on the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133:

**NONE REPORTED**



J. Russell Lipford, Jr., CPA  
Mark O. Hardison, CPA  
Terry I. Parker, CPA  
Christopher S. Edwards, CPA  
Lynn S. Hudson, CPA  
Kevin E. Lipford, CPA

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**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**

To the Council  
Georgia Mountains Regional Commission  
1310 W. Ridge Rd.  
Gainesville, Georgia 30501

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Georgia Mountains Regional Commission (the "RC"), as of and for the fiscal year ended June 30, 2011, which collectively comprise the RC's basic financial statements and have issued our report thereon dated October 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of Georgia Mountains Regional Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the RC's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the RC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the RC's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the RC's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

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

We noted certain matters that we reported to management of the RC in a separate letter dated October 27, 2011.

This report is intended solely for the information and use of management, the audit committee, the Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Clifton, Lippford, Hardison & Parker, LLC*

Macon, Georgia  
October 27, 2011





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**REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Council  
Georgia Mountains Regional Commission  
1310 W. Ridge Rd.  
Gainesville, Georgia 30501

Compliance

We have audited Georgia Mountains Regional Commission's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the RC's major federal programs for the fiscal year ended June 30, 2011. Georgia Mountains Regional Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Georgia Mountains Regional Commission's management. Our responsibility is to express an opinion on Georgia Mountains Regional Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Georgia Mountains Regional Commission's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Georgia Mountains Regional Commission's compliance with those requirements.

In our opinion, Georgia Mountains Regional Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

Management of Georgia Mountains Regional Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Georgia Mountains Regional Commission's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Georgia Mountains Regional Commission's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the audit committee, the Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Clifton, Lippford, Henderson & Parker, LLC*

Macon, Georgia  
October 27, 2011

GEORGIA MOUNTAINS REGIONAL COMMISSION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Type of auditor’s report issued on compliance to major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
11.307	Economic Development Administration-Revolving Loan

Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>300,000</u>
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Auditee qualified as a low-risk auditee?	Yes
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**Section II – Financial Statement Findings**

No matters were reported.

**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

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