SUMTER COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2009

INTRODUCTORY SECTION

SUMTER COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Table of Contents	i and ii
FINANCIAL SECTION	
Independent Auditor's Report	1 and 2
Management's Discussion and Analysis	3 - 10
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	11 and 12
Statement of Activities	13 and 14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	18 - 20
Statement of Net Assets – Proprietary Funds	21
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	22
Statement of Cash Flows – Proprietary Funds	23
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	24
Notes to Financial Statements	25 - 47
Required Supplementary Information:	
Schedule of Funding Progress – Defined Benefit Pension Plan	48
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	49 - 52
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	53 - 56
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2004 Issue	57
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2007 Issue	58
Combining Balance Sheet – Agency Funds	59 and 60

SUMTER COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

Page

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 61 and 62

Schedule of Findings and Responses ..... 63 - 66

Schedule of Prior Year Findings ..... 67 and 68

Independent Accountant's Report on Local Assistance Grants 69

State of Georgia Grant Certification Forms ..... 70 and 71

FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Sumter County, Georgia
Americus, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Sumter County, Georgia**, as of and for the year ended June 30, 2009, which collectively comprise Sumter County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sumter County Department of Public Health or the Sumter County Livestock Authority, which statements reflect total assets of $896,621 and $234,867, respectively, as of June 30, 2009, and total revenues of $1,003,684 and $5,013,259, respectively, for the year then ended. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Sumter County Department of Public Health and the Sumter County Livestock Authority in the component unit's columns is based solely on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumter County, Georgia as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2010, on our consideration of Sumter County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 3 through 10) 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 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 Sumter County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Sumter County, Georgia. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedules of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mauldin & Jenkins, LLC

Macon, Georgia
April 29, 2010

SUMTER COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

This section of Sumter County, Georgia's ("the County") annual financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal period ended June 30, 2009.

Financial Highlights

- The assets of Sumter County exceeded its liabilities at June 30, 2009, by $59.8 million (net assets).
- At fiscal period ending June 30, 2009, the County's General Fund reported an unreserved fund balance of $768,810.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Sumter County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Sumter County's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net assets and the statement of activities, which are described below.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement consolidates the governmental funds' current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal period. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development.

The government-wide financial statements include not only Sumter County itself (known as the primary government), but also the Sumter County Department of Public Health and the Sumter County Livestock Authority. These are legally separate entities that are component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Sumter County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Sumter County maintains governmental funds to account for the following activities: **General**; **Special Revenue** (Fire Districts, Victim and Witness Assistance, Law Library, 2002 and 2007 CHIP – Housing Rehab Loans, CDBG – Business Loan Recovery, Southwestern Judicial Circuit, Drug Abuse Treatment and Education, Sheriff Forfeiture Recovery Fund, Correctional Institute Commissary, Jail Commissary, Drug Court, and Impaired Driving Awareness Program); and **Capital Projects** (2004 SPLOST, 2007 SPLOST, 2005 and 2008 CDBG – Street and Drainage, and Capital Improvements Fund).

Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, 2004 and 2007 SPLOST funds, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. Sumter County adopts an annual appropriated budget for its general and special revenue funds. A budgetary comparison statement has been provided for the General Fund within the basic financial statements.

Proprietary funds. Services for which the government charges customers a fee are generally reported in proprietary funds. The Solid Waste Management Fund is a major enterprise fund and its business-like activities are reported with detail including cash flows.

Fiduciary funds. Agency funds are custodial in nature; the only required financial statements are the balance sheet and statement of fiduciary assets and liabilities. Fiduciary funds are not reflected in the government-wide financial statements.

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

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets exceed liabilities by $59,756,464 at the close of the most recent fiscal period.

A large portion of the County's net assets, 94.89%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Sumter County's Net Assets
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Percentage Change
	2008	2009	2008	2009	2008	2009	2008-2009
Current and other assets	$ 18.03	$ 9.24	$ 1.51	$ 0.32	$ 19.54	$ 9.56	(51.07) %
Capital assets	49.15	63.04	-	-	49.15	63.04	28.26
Total assets	67.18	72.28	1.51	0.32	68.69	72.60	5.69
Long-term liabilities outstanding	8.05	10.08	1.41	-	9.46	10.08	6.55
Other liabilities	3.29	2.77	0.08	-	3.37	2.77	(17.80)
Total liabilities	11.34	12.85	1.49	-	12.83	12.85	0.16
Net assets:							
Invested in capital assets net of related debt	45.40	56.70	-	-	45.40	56.70	24.89
Restricted	13.12	1.77	-	-	13.12	1.77	(86.51)
Unrestricted	(2.68)	0.96	0.02	0.32	(2.66)	1.28	(148.12)
Total net assets	$ 55.84	$ 59.43	$ 0.02	$ 0.32	$ 55.86	$ 59.75	6.96

At the end of the current fiscal period, Sumter County is able to report positive balances in all categories of net assets for the government as a whole.

Sumter County's Changes in Net Assets
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Activities		Percentage Change
Revenues	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008-2009**
Program revenues:							
Charges for services	$ 5.64	$ 5.80	$ 1.09	$ 1.13	$ 6.73	$ 6.93	2.97 %
Operating grants and contributions	0.18	0.35	0.01	0.02	0.19	0.37	94.74
Capital grants and contributions	0.41	2.99	-	-	0.41	2.99	629.27
General revenues:							
Property taxes	8.07	8.89	-	-	8.07	8.89	10.16
Other taxes	8.02	7.14	-	-	8.02	7.14	(10.97)
Investment income	0.53	0.18	0.02	-	0.55	0.18	(67.27)
Gain on sale of capital assets	0.03	0.07	-	-	0.03	0.07	133.33
Total revenues	22.88	25.42	1.12	1.15	24.00	26.57	10.71
Expenses							
General government	3.24	3.14	-	-	3.24	3.14	(3.09)
Judicial	2.36	2.49	-	-	2.36	2.49	5.51
Public safety	8.97	10.38	-	-	8.97	10.38	15.72
Public works	2.71	2.47	-	-	2.71	2.47	(8.86)
Health and welfare	1.99	0.52	-	-	1.99	0.52	(73.87)
Recreation	1.24	0.70	-	-	1.24	0.70	(43.55)
Housing & development	0.60	0.68	-	-	0.60	0.68	13.33
Interest on long-term debt	0.22	0.40	-	-	0.22	0.40	81.82
Solid waste	-	-	1.20	1.89	1.20	1.89	57.50
Total expenses	21.33	20.78	1.20	1.89	22.53	22.67	0.62
Increase(decrease) in net assets before transfers	1.55	4.64	(0.08)	(0.74)	1.47	3.90	165.31
Transfers	(0.13)	(1.04)	0.13	1.04	-	-	-
Change in net assets	1.42	3.60	0.05	0.30	1.47	3.90	165.31
Net assets, beginning of year	54.42	55.84	(0.03)	0.02	54.39	55.86	2.70
Net assets, end of year	$ 55.84	$ 59.44	$ 0.02	$ 0.32	$ 57.33	$ 63.66	11.04

The major increase in the change in net assets between fiscal years 2008 and 2009 was due to the Americus-Sumter County Recreation Authority being dissolved and Sumter County assuming assets associated with the new Sumter County Recreation Department.

Financial Analysis of the Government's Funds

Governmental funds. The focus of Sumter County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund of Sumter County. At the end of the current fiscal period, unreserved fund balance of the General Fund was $768,810, while the total fund balance was $828,032. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unreserved fund balance represents 4.57% of total General Fund expenditures, while total fund balance represents 4.92% of that same amount.

SPLOST 2004

SPLOST (Special purpose local option sales tax) Referendum passed on September 16, 2003. Proceeds of $22,000,000 will fund multiple capital projects started in 2004. At the end of the current fiscal period, expenditures were $10.47 million and revenues were $2.79 million, leaving a fund balance of $1.87 million.

SPLOST 2007

SPLOST (Special purpose local option sales tax) Referendum passed on September 18, 2007. Proceeds of $25,400,000 will fund multiple capital projects started in 2008. At the end of the current fiscal period, expenditures were $4.93 million and revenues were $1.79 million. Capital leases and other funding sources were in the amount of $1.62 million, leaving a fund balance of $2.19 million.

Proprietary funds. Sumter County's proprietary fund provides that same type of information found in the government-wide financial statements, but in more detail. The County's only proprietary fund is the Solid Waste Management Fund.

Solid Waste Management

At the end of the current fiscal period, net assets for the Solid Waste fund were $319,160.

General Fund Budgetary Highlights

- During the year there was a decrease of ($822,156) in appropriations between the original and final amended budget which included a decrease in agency allocations and a decrease in departmental budgets which included freezing of vacant positions and implementation of furlough days.
- Increase in District Attorney office of $94,671 due to the new District Attorney turning over complete circuit accounting to Sumter County.
- Increase in Jail expenditures of $136,531 mostly due to an increase in medical claims for inmates.

The total General Fund actual expenditures fell below the final budgeted amount by $706,817. This was due to a combined effort on the part of all the departments to tightly manage their spending.

Department expenditures that exceeded their budgets were mainly due to unexpected year-end costs:

- Increase in Jail - $24,153 due to overtime.
- Increase in Public Works - $9,886 due to unexpected year-end costs.

Capital Asset and Debt Administration

Capital assets. Sumter County's investment in capital assets for its governmental activities as of June 30, 2009, amounts to $63,038,915 (net of accumulated depreciation). This investment in capital assets includes land, site improvements, buildings, machinery and equipment, and infrastructure.

Sumter County's Capital Assets
(net of depreciation)

	Governmental Activities		Percentage Change
	2008	2009	2008-2009
Land	$ 349,141	$ 862,468	147.03 %
Construction in progress	7,180,456	19,566,063	172.49
Buildings and improvements	9,217,664	10,537,182	14.32
Machinery and equipment	1,247,340	1,618,449	29.75
Infrastructure	31,156,648	30,454,753	(2.25)
Total	$ 49,151,249	$ 63,038,915	28.25

Additional information on the County's capital assets can be found in Note 6 of this report.

Long-term Debt. Sumter County's long-term debt for the period ended June 30, 2009, is summarized below.

	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Governmental Activities:					
Capital leases	$ 7,000,000	$ -	$ (845,647)	$ -	$ 6,154,353
Notes payable	787,060	1,773,584	(73,059)	-	2,487,585
Compensated absences	268,857	303,952	(256,590)	-	316,219
Landfill post-closure	-	-	(237,632)	1,340,632	1,103,000
Net pension obligation	(69,035)	87,124	-	-	18,089
Total	$ 7,986,882	$ 2,164,660	$ (1,412,928)	$ 1,340,632	$ 10,079,246
Business-type Activities:					
Landfill post-closure	$ 1,409,300	$ -	$ (68,668)	$ (1,340,632)	$ -

During the year ended June 30, 2009, the County transferred landfill postclosure costs from business-type activities to governmental activities.

Engineering and postclosure costs associated with the closing of the Sumter County landfill are estimated to be approximately $1,103,000 over a 20 year period.

Additional information regarding the County's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets

- In Fiscal Year 2008 the monthly average for Local Option Sales Tax Collections was $199,455. In Fiscal Year 2009 the monthly average for Local Option Sales Tax Collections was $168,486 a decrease of 18%.
- The 2004 SPLOST, which started January 1, 2004 now has an estimated budget of $21,545,700. Based on Fiscal Year 2008 and Fiscal Year 2009 collections, the County felt it was necessary to adjust the target from $22,000,000.
- Based on the current economic downturn and the decline of the local option and special local option sales tax, Sumter County expects to continue to feel the effect of the slowdown and budget accordingly.
- Sumter County has continued to use inmate labor during 2009 to help with current projects and will continue to self-perform these construction projects as it is seen to be cost effective.
- During 2009 and going forward, Sumter County is doing its part to try and secure outside funding sources such as grants to assist in capital projects that would have been otherwise postponed due to SPLOST collections being reduced due to the sluggish economy.

Requests for Information

This financial report is designed to provide a general overview of Sumter County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Sumter County, P.O. Box 295, Americus, Georgia 31709.

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SUMTER COUNTY, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2009

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 4,515,428	$ 311,291	$ 4,826,719
Taxes receivable	1,000,544	-	1,000,544
Notes receivable	17,284	-	17,284
Accounts receivable, net of allowances	61,978	85,701	147,679
Due from other governments	1,038,476	222,629	1,261,105
Internal balances	300,000	(300,000)	-
Inventories	10,783	-	10,783
Restricted cash	2,304,509	-	2,304,509
Capital assets, non-depreciable	20,428,531	-	20,428,531
Capital assets, depreciable, net of accumulated depreciation	42,610,384	-	42,610,384
Total assets	72,287,917	319,621	72,607,538
LIABILITIES			
Accounts payable	1,292,826	461	1,293,287
Accrued liabilities	228,541	-	228,541
Tax anticipation note payable	1,250,000	-	1,250,000
Capital leases due within one year	1,036,582	-	1,036,582
Capital leases due in more than one year	5,117,771	-	5,117,771
Notes payable due within one year	76,895	-	76,895
Notes payable due in more than one year	2,410,690	-	2,410,690
Compensated absences due within one year	237,000	-	237,000
Compensated absences due in more than one year	79,219	-	79,219
Landfill postclosure costs due within one year	49,350	-	49,350
Landfill postclosure costs due in more than one year	1,053,650	-	1,053,650
Net pension obligation due in more than one year	18,089	-	18,089
Total liabilities	12,850,613	461	12,851,074
NET ASSETS			
Investment in capital assets, net of related debt	56,701,486	-	56,701,486
Restricted for capital projects	1,770,938	-	1,770,938
Unrestricted	964,880	319,160	1,284,040
Total net assets	$ 59,437,304	$ 319,160	$ 59,756,464

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

Component Units	
Sumter County Department of Public Health	Sumter County Livestock Authority
$ 875,740	$ 97,499
-	-
-	-
-	62,528
20,056	-
-	-
-	-
-	-
-	600
825	74,240
896,621	234,867
20,056	7,231
-	-
-	-
-	-
-	-
-	-
-	-
-	-
97,052	-
-	-
-	-
-	-
117,108	7,231
825	74,840
-	-
778,688	152,796
$ 779,513	$ 227,636

SUMTER COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 3,137,138	$ 561,603	$ 4,555	$ -
Judicial	2,489,241	1,417,332	179,474	-
Public safety	10,379,941	3,643,791	15,460	-
Public works	2,470,300	-	-	585,523
Health and welfare	519,977	-	3,000	-
Recreation	701,052	127,646	400	2,407,832
Housing and development	678,799	61,231	145,515	-
Interest on long-term debt	405,568	-	-	-
Total governmental activities	20,782,016	5,811,603	348,404	2,993,355
Business-type activities:				
Solid waste management	1,897,775	1,126,047	23,955	-
Total business-type activities	1,897,775	1,126,047	23,955	-
Total primary government	$ 22,679,791	$ 6,937,650	$ 372,359	$ 2,993,355
Component units:				
Sumter County Department of Public Health	$ 1,003,448	$ 315,554	$ 673,910	$ -
Sumter County Livestock Authority	5,077,693	5,010,891	-	-
Total component units	$ 6,081,141	$ 5,326,445	$ 673,910	$ -
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year				
Net assets, end of year				

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

Net (Expense) Revenue and Changes in Net Assets					
				Component Units	
Governmental Activities	Business-type Activities	Total	Sumter County Department of Public Health	Sumter County Livestock Authority
$ (2,570,980)	$ -	$ (2,570,980)	$ -	$ -
(892,435)	-	(892,435)	-	-
(6,720,690)	-	(6,720,690)	-	-
(1,884,777)	-	(1,884,777)	-	-
(516,977)	-	(516,977)	-	-
1,834,826	-	1,834,826	-	-
(472,053)	-	(472,053)	-	-
(405,568)	-	(405,568)	-	-
(11,628,654)	-	(11,628,654)	-	-
-	(747,773)	(747,773)	-	-
-	(747,773)	(747,773)	-	-
$ (11,628,654)	$ (747,773)	$ (12,376,427)	$ -	$ -
$ -	$ -	$ -	$ (13,984)	$ -
-	-	-	-	(66,802)
$ -	$ -	$ -	$ (13,984)	$ (66,802)
8,884,461	-	8,884,461	-	-
6,137,698	-	6,137,698	-	-
723,460	-	723,460	-	-
273,413	-	273,413	-	-
183,037	2,900	185,937	14,220	2,368
66,564	-	66,564	-	-
(1,040,632)	1,040,632	-	-	-
15,228,001	1,043,532	16,271,533	14,220	2,368
3,599,347	295,759	3,895,106	236	(64,434)
55,837,957	23,401	55,861,358	779,277	292,070
$ 59,437,304	$ 319,160	$ 59,756,464	$ 779,513	$ 227,636

SUMTER COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

ASSETS	General	2004 SPLOST	2007 SPLOST	Other Governmental Funds	Total
Cash and cash equivalents	$ 1,061,362	$ 2,328,969	$ 144,045	$ 981,052	$ 4,515,428
Taxes receivable	455,100	-	525,160	20,284	1,000,544
Notes receivable	-	-	-	17,284	17,284
Accounts receivable	61,978	-	-	-	61,978
Due from other governments	925,399	106,909	-	6,168	1,038,476
Due from other funds	650,123	-	-	-	650,123
Inventories	10,783	-	-	-	10,783
Restricted cash	-	-	2,304,509	-	2,304,509
Total assets	$ 3,164,745	$ 2,435,878	$ 2,973,714	$ 1,024,788	$ 9,599,125
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 384,895	$ 553,255	$ 317,499	$ 37,177	$ 1,292,826
Accrued liabilities	207,931	-	-	-	207,931
Tax anticipation note payable	1,250,000	-	-	-	1,250,000
Deferred revenues	493,887	-	113,268	-	607,155
Due to other funds	-	7,055	343,068	-	350,123
Total liabilities	2,336,713	560,310	773,835	37,177	3,708,035
FUND BALANCES					
Reserved for:					
Encumbrances	48,439	-	-	-	48,439
Inventories	10,783	-	-	-	10,783
Noncurrent loans receivable	-	-	-	17,284	17,284
Unreserved, undesignated reported in:					
General fund	768,810	-	-	-	768,810
Special revenue funds	-	-	-	772,042	772,042
Capital projects funds	-	1,875,568	2,199,879	198,285	4,273,732
Total fund balances	828,032	1,875,568	2,199,879	987,611	5,891,090
Total liabilities and fund balances	$ 3,164,745	$ 2,435,878	$ 2,973,714	$ 1,024,788	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	63,038,915
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	607,155
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(10,081,767)
Net pension obligation used in governmental activities is not a financial resource and, therefore, is not reported in the funds.	(18,089)
Net assets of governmental activities	$ 59,437,304

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

SUMTER COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2009

	General	2004 SPLOST	2007 SPLOST	Other Governmental Funds	Total
Revenues:					
Property taxes	$ 8,390,605	$ -	$ -	$ 347,791	$ 8,738,396
Sales taxes	2,021,839	2,182,404	1,762,097	-	5,966,340
Other taxes	992,627	-	-	4,246	996,873
Licenses and permits	81,898	-	-	-	81,898
Intergovernmental	114,672	467,763	-	316,030	898,465
Charges for services	3,761,968	-	-	25,400	3,787,368
Fines and forfeitures	700,317	-	-	149,305	849,622
Interest	15,615	140,187	27,059	176	183,037
Other revenues	781,998	-	-	346,179	1,128,177
Total revenues	16,861,539	2,790,354	1,789,156	1,189,127	22,630,176
Expenditures:					
Current:					
General government	2,270,603	-	-	-	2,270,603
Judicial	2,326,122	-	-	126,342	2,452,464
Public safety	9,037,816	-	-	740,982	9,778,798
Public works	1,174,970	-	-	-	1,174,970
Health and welfare	438,762	-	-	-	438,762
Culture and recreation	993,182	-	-	-	993,182
Housing and development	453,585	-	-	142,637	596,222
Capital outlay	-	10,470,109	3,614,189	170,129	14,254,427
Debt service:					
Principal	73,059	-	845,647	-	918,706
Interest	65,542	-	472,184	-	537,726
Total expenditures	16,833,641	10,470,109	4,932,020	1,180,090	33,415,860
Excess (deficiency) of revenues over (under) expenditures	27,898	(7,679,755)	(3,142,864)	9,037	(10,785,684)
Other financing sources (uses):					
Proceeds from sale of assets	66,564	-	-	-	66,564
Note payable	-	-	1,773,584	-	1,773,584
Transfers in	300,000	151,312	-	149,863	601,175
Transfers out	(120,192)	-	(151,312)	(29,671)	(301,175)
Total other financing sources (uses)	246,372	151,312	1,622,272	120,192	2,140,148
Net change in fund balances	274,270	(7,528,443)	(1,520,592)	129,229	(8,645,536)
Fund balance, beginning of year	553,762	9,404,011	3,720,471	858,382	14,536,626
Fund balance, end of year	$ 828,032	$ 1,875,568	$ 2,199,879	$ 987,611	$ 5,891,090

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

SUMTER COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(8,645,536)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		11,479,834
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		2,407,832
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Deferred revenues decreased during the year by this amount.		317,423
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(1,957,878)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(2,328)
Change in net assets - governmental activities	$	3,599,347

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

SUMTER COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 9,411,000	$ 8,465,644	$ 8,390,605	$ (75,039)
Sales taxes	2,400,000	2,181,679	2,021,839	(159,840)
Other taxes	1,057,300	1,057,300	992,627	(64,673)
Licenses and permits	106,850	106,850	81,898	(24,952)
Intergovernmental	104,272	104,272	114,672	10,400
Charges for services	3,725,700	3,843,250	3,761,968	(81,282)
Fines and forfeitures	826,300	826,300	700,317	(125,983)
Interest income	46,500	46,500	15,615	(30,885)
Miscellaneous	779,884	1,003,855	781,998	(221,857)
Total revenues	18,457,806	17,635,650	16,861,539	(774,111)
Expenditures:				
Current:				
General government:				
Board of commissioners	78,058	57,385	55,977	1,408
County clerk	65,106	62,857	59,355	3,502
Administrator	123,321	111,300	109,586	1,714
Elections	186,473	179,534	175,311	4,223
Financial administration	292,620	265,288	261,300	3,988
Legal	100,000	90,000	73,605	16,395
Information systems	108,518	101,268	101,666	(398)
Human resources	102,391	98,292	97,317	975
Tax commissioner's office	361,300	318,077	296,848	21,229
Tax assessor's office	535,048	512,879	483,342	29,537
Risk management	298,000	298,000	216,643	81,357
Building and grounds	284,032	276,940	274,529	2,411
General administration	230,230	307,186	65,124	242,062
Total general government	2,765,097	2,679,006	2,270,603	408,403
Judicial:				
Court administration	31,172	31,492	30,914	578
Judge of superior court	179,441	193,720	193,332	388
Clerk of courts	465,269	431,139	404,599	26,540
District attorney	81,898	176,569	161,484	15,085
State court	110,441	103,658	94,399	9,259
State court solicitor	84,900	84,300	55,124	29,176
Magistrate court	387,735	370,377	356,659	13,718
Probate court	149,293	136,649	135,360	1,289
Juvenile court	218,044	212,601	207,511	5,090
Grand jury	800	800	217	583
Public defense	736,048	732,743	686,523	46,220
Total judicial	2,445,041	2,474,048	2,326,122	147,926

(Continued)

SUMTER COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Current: (Continued)				
Public safety:				
Sheriff's office	$ 3,262,758	$ 2,992,644	$ 2,982,750	$ 9,894
Jail operations	2,701,648	2,838,179	2,862,332	(24,153)
Correctional institute	3,330,854	2,972,412	2,937,447	34,965
Coroner	66,782	48,356	38,634	9,722
E911	163,000	154,600	129,804	24,796
Animal control	93,031	86,039	80,694	5,345
Emergency management	7,018	7,068	6,155	913
Total public safety	9,625,091	9,099,298	9,037,816	61,482
Public works:				
Public works department	1,209,075	1,165,104	1,174,970	(9,866)
Total public works	1,209,075	1,165,104	1,174,970	(9,866)
Health and welfare:				
Public health	329,441	308,858	310,555	(1,697)
Public welfare	78,936	73,674	73,924	(250)
Community service	40,160	37,483	37,483	-
Senior citizen center	18,000	16,800	16,800	-
Total health and welfare	466,537	436,815	438,762	(1,947)
Culture and recreation:				
Recreation	991,764	942,217	872,686	69,531
Libraries	129,103	120,496	120,496	-
Total culture and recreation	1,120,867	1,062,713	993,182	69,531
Housing and development:				
County agent's office	150,274	141,006	115,556	25,450
Forest resources	6,550	6,550	6,550	-
Building inspection	55,933	45,319	43,416	1,903
Planning and zoning	134,261	122,839	119,029	3,810
Code enforcement	36,563	5,052	4,981	71
Economic development	133,750	124,833	124,853	(20)
Airport	42,000	39,200	39,200	-
Total housing and development	559,331	484,799	453,585	31,214

(Continued)

SUMTER COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Debt service:				
Principal	$ 69,522	$ 69,522	$ 73,059	$ (3,537)
Interest	102,053	69,153	65,542	3,611
Total debt service	171,575	138,675	138,601	74
Total expenditures	18,362,614	17,540,458	16,833,641	706,817
Excess of revenues over expenditures	95,192	95,192	27,898	(67,294)
Other financing sources (uses):				
Proceeds from sale of assets	25,000	25,000	66,564	41,564
Transfers in	-	-	300,000	300,000
Transfers out	(120,192)	(120,192)	(120,192)	-
Total other financing sources (uses)	(95,192)	(95,192)	246,372	341,564
Net change in fund balances	-	-	274,270	274,270
Fund balance, beginning of year	553,762	553,762	553,762	-
Fund balance, end of year	$ 553,762	$ 553,762	$ 828,032	$ 274,270

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

SUMTER COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

JUNE 30, 2009

	Major Enterprise Fund
	Solid Waste Management
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 311,291
Accounts receivable, net of allowances	85,701
Due from other governments	222,629
Total current assets	619,621
Total assets	619,621
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	461
Due to other funds	300,000
Total current liabilities	300,461
Total liabilities	300,461
NET ASSETS	
Unrestricted	319,160
Total net assets	$ 319,160

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

SUMTER COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Major Enterprise Fund
	Solid Waste Management
OPERATING REVENUES	
Charges for services:	
Garbage collection fees	$ 1,092,718
Methane monitoring fees	33,329
Total operating revenues	1,126,047
OPERATING EXPENSES	
Contracted services	844,848
Supplies	2,435
Other	1,050,492
Total operating expenses	1,897,775
Operating loss	(771,728)
NONOPERATING INCOME	
Intergovernmental	23,955
Interest income	2,900
Total nonoperating income	26,855
Loss before transfers	(744,873)
TRANSFERS IN	1,340,632
TRANSFERS OUT	(300,000)
Change in net assets	295,759
NET ASSETS, beginning of year	23,401
NET ASSETS, end of year	$ 319,160

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

SUMTER COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Major Enterprise Fund
	Solid Waste Management
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 1,059,029
Payments to suppliers and service providers	(691,790)
Net cash provided by operating activities	367,239
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to other funds	(300,000)
Intergovernmental	23,955
Net cash used in noncapital financing activities	(276,045)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	2,900
Net cash provided by investing activities	2,900
Net increase in cash and cash equivalents	94,094
Cash and cash equivalents:	
Beginning of year	217,197
End of year	$ 311,291
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	$ (771,728)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Increase in accounts receivable	(33,689)
Increase in due from other governments	(33,329)
Decrease in long-term due from other governments	1,050,492
Decrease in accounts payable	(75,553)
Increase in due to other funds	299,714
Decrease in landfill postclosure costs	(68,668)
Net cash provided by operating activities	$ 367,239
Noncash investing, capital, and financing activities:	
Transfer of landfill postclosure costs to governmental activities	$ 1,340,632

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

SUMTER COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2009

	Agency Funds
ASSETS	
Cash	$ 819,548
Taxes receivable	945,251
Accounts receivable	1,945
Total assets	$ 1,766,744
LIABILITIES	
Due to others	$ 1,766,744
Total liabilities	$ 1,766,744

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Sumter County was created by legislative act on December 26, 1831, and operates under a County Commissioner form of government, providing the following services as authorized by its charter: public safety, highways and streets, health and social services, culture-recreation, courts, correctional institute, public improvements, planning and zoning, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of Sumter County, Georgia (the "primary government") and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Governmental Accounting Standards Board Statement No. 14, the financial statements of the component units are discretely presented in the government-wide financial statements.

Discretely Presented Component Units

The Sumter County Department of Public Health (the "Health Department") is governed by a seven-member board consisting of one member of the County's Board of Commissioners and three members as appointed by the County Commissioners. The County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health service fees. Amounts included in the Government-wide Statement of Net Assets and Statement of Activities for the Health Department are for the year ended June 30, 2009.

The Health Department's financial statements can be obtained by writing to the Sumter County Health Department, Rucker Street, Americus, Georgia 31709.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

The Sumter County Livestock Authority (the "Authority") is governed by a nine-member board consisting of one member of the County's Board of Commissioners and eight members as appointed by the County Commissioners. The Authority provides auction facilities for buying and selling of livestock, primarily cattle and hogs. The County is financially obligated to supplement operating deficits and also has the ability to claim operating surpluses. Amounts included in the Government-wide Statement of Net Assets and Statement of Activities for the Authority are for the year ended June 30, 2009.

The Authority's financial statements can be obtained by writing to the Sumter County Livestock Authority, 186 Southerfield Road, Americus, Georgia 31709.

B. Government-wide and Fund Financial Statements

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Property taxes, sales taxes, franchise taxes, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

The ***2004 Special Purpose Local Option Sales Tax Fund (SPLOST)*** accounts for the revenues and expenditures relating to the 2004 1% Special Purpose Local Option Sales Tax.

The ***2007 Special Purpose Local Option Sales Tax Fund (SPLOST)*** accounts for the revenues and expenditures relating to the 2007 1% Special Purpose Local Option Sales Tax.

The County reports the following major proprietary fund:

The **Solid Waste Management Fund** is used to account for the receipts from services billed to customers and the payment of costs of collection.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the County reports the following fund types:

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

The ***capital project funds*** account for the acquisition or construction of capital facilities.

The ***agency funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes. These include the Tax Commissioner, Clerk of Courts, Probate Court, Magistrate Court, Sheriff, Jail Inmate Fund, Correctional Institute Inmate Fund, and ADR Fund.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's solid waste function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

D. Budgets

Formal budgetary accounting is employed as a management control device for the General Fund and the Special Revenue funds. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund and the Special Revenue Funds, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principle basis. For the year ended June 30, 2009, annual budgets were adopted for the General Fund and all Special Revenue Funds. Budgets for Capital Project Funds are adopted on a project basis, spanning more than one fiscal year. The County Commission must approve any amendments to the budget.

E. Cash and Investments

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

State statutes authorize the County and discretely presented component units to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the Georgia Fund 1.

The only investments held by the County at June 30, 2009 were certificates of deposit with a maturity of greater than three months. Investments are stated at fair value.

F. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide statement of net assets. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statement of net assets as "internal balances." In the major fund balance sheets, these receivables and payables are classified as "due from other funds" and "due to other funds."

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items with an acquisition date of January 1, 1980 or later, as allowed by the provisions of GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", as amended and interpreted. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending.

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

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

Asset Category	Years
Site improvements	20
Buildings	50
Machinery and equipment	3 - 10
Infrastructure	20 - 50

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

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

J. Long-Term Obligations

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

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

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

L. Use of Estimates

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $10,081,767 difference are as follows:

Accrued interest payable	$	(20,610)
Capital leases		(6,154,353)
Notes payable		(2,487,585)
Landfill postclosure costs		(1,103,000)
Compensated absences		(316,219)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	(10,081,767)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $11,479,834 difference are as follows:

Capital outlay	$	13,174,669
Depreciation expense		(1,694,835)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	11,479,834

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

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

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this $1,957,878 difference are as follows:

Debt incurred:		
Notes payable	$	(1,773,584)
Principal repayments:		
Capital leases		845,647
Notes payable		73,059
Landfill postclosure costs		237,632
Transfer of landfill postclosure costs from business-type activities		(1,340,632)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	(1,957,878)

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $2,328 difference are as follows:

Compensated absences	$	(47,362)
Net pension obligation		(87,124)
Accrued interest		132,158
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	(2,328)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

1. Prior to May 1, the Department Heads submit to the County Administrator a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The proposed budgets are then submitted to the Board of Commissioners by the County Administrator for study.

2. Public hearings are conducted at the County Courthouse to obtain taxpayer comments.

3. Prior to July 1, the budget is legally adopted by the Board of Commissioners.

4. Budget amounts can be transferred between line items within any department; however, any revisions of the budget must be approved by the Board of Commissioners.

5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Annual appropriated budgets are legally adopted for the General Fund and Special Revenue Funds. Annual operating budgets are prepared for each Capital Projects Fund and Enterprise Fund for planning, control, and evaluation purposes.

Budgeted amounts are as originally adopted on June 27, 2008, or as amended by the Board of Commissioners. The supplementary budgetary appropriations made were not material.

All appropriations, except for items encumbered at year end, lapse. Encumbrances for items not lapsing at year end are reappropriated in the ensuing year's budget. Budget information for expenditures and encumbrances represents the operating budget as approved by the Board of Commissioners.

B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

C. Excess Expenditures over Appropriations

For the year ended June 30, 2009, expenditures exceeded budget in the General Fund, as follows:

Department	Excess
Information systems	$ 398
Jail operations	24,153
Public works department	9,866
Public health	1,697
Public welfare	250
Economic development	20

These over-expenditures in the General Fund were funded by under-expenditures in other departments.

NOTE 4. CASH AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County had no investments as of June 30, 2009.

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

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2009, all of the County's bank balances were properly insured and collateralized as defined by GASB pronouncements and the State of Georgia.

NOTE 5. RECEIVABLES

Receivables at June 30, 2009, for the County's individual major and nonmajor funds in the aggregate are as follows:

	General	2007 SPLOST	Solid Waste Management	Nonmajor and Other Funds	Total
Receivables:					
Taxes	$ 630,240	$ 525,160	$ -	$ 20,284	$ 1,175,684
Notes	-	-	-	17,284	17,284
Accounts	61,978	-	105,871	-	167,849
Gross receivables	692,218	525,160	105,871	37,568	1,360,817
Less allowance for uncollectibles	(175,140)	-	(20,170)	-	(195,310)
Net receivables	$ 517,078	$ 525,160	$ 85,701	$ 37,568	$ 1,165,507

Property taxes were levied on July 31, 2008. Bills are payable on or before December 1, 2008, after which the applicable property is subject to lien and penalties and interest as assessed. The County bills and collects its own property taxes. Property taxes levied for 2009 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2009, and collected by August 31, 2009, are recognized as revenues in the year ended June 30, 2009. Net receivables estimated to be collected subsequent to August 31, 2009 are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

Property taxes attached as an enforceable lien on property as of December 1, 2008.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 349,141	$ 513,327	$ -	$ -	$ 862,468
Construction in progress	7,180,456	12,689,583	-	(303,976)	19,566,063
Total capital assets, not being depreciated	7,529,597	13,202,910	-	(303,976)	20,428,531
Capital assets, being depreciated:					
Site improvements	62,765	425,348	-	-	488,113
Buildings	13,888,962	1,182,420	-	-	15,071,382
Equipment	6,510,359	771,823	(274,541)	-	7,007,641
Infrastructure	47,972,098	-	-	303,976	48,276,074
Total capital assets, being depreciated	68,434,184	2,379,591	(274,541)	303,976	70,843,210
Less accumulated depreciation for:					
Site improvements	11,529	12,301	-	-	23,830
Buildings	4,722,534	275,949	-	-	4,998,483
Equipment	5,263,019	400,714	(274,541)	-	5,389,192
Infrastructure	16,815,450	1,005,871	-	-	17,821,321
Total accumulated depreciation	26,812,532	1,694,835	(274,541)	-	28,232,826
Total capital assets, being depreciated, net	41,621,652	684,756	-	303,976	42,610,384
Governmental activities capital assets, net	$ 49,151,249	$ 13,887,666	$ -	$ -	$ 63,038,915

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, being depreciated:				
Machinery and equipment	$ 3,310	$ -	$ (3,310)	$ -
Total capital assets, being depreciated	3,310	-	(3,310)	-
Less accumulated depreciation for:				
Machinery and equipment	3,310	-	(3,310)	-
Total accumulated depreciation	3,310	-	(3,310)	-
Business-type activities capital assets, net	$ -	$ -	$ -	$ -

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 83,283
Judicial	1,742
Public safety	476,278
Public works	1,028,236
Culture and recreation	68,849
Housing and development	36,447
Total depreciation expense - governmental activities	$ 1,694,835

B. Discretely Presented Component Unit – Department of Public Health

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 59,126	$ -	$ -	$ 59,126
Total capital assets, being depreciated	59,126	-	-	59,126
Less accumulated depreciation for:				
Machinery and equipment	55,395	2,906	-	58,301
Total accumulated depreciation	55,395	2,906	-	58,301
Total capital assets, net	$ 3,731	$ (2,906)	$ -	$ 825

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Livestock Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 600	$ -	$ -	$ 600
Total capital assets, not being depreciated	600	-	-	600
Capital assets, being depreciated:				
Buildings	482,254	-	-	482,254
Machinery and equipment	214,930	-	-	214,930
Total capital assets, being depreciated	697,184	-	-	697,184
Less accumulated depreciation for:				
Buildings	436,731	9,460	-	446,191
Machinery and equipment	170,993	5,760	-	176,753
Total accumulated depreciation	607,724	15,220	-	622,944
Total capital assets, being depreciated, net	89,460	(15,220)	-	74,240
Total capital assets, net	$ 90,060	$ (15,220)	$ -	$ 74,840

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2009:

	Beginning Balance	Additions	Reductions	Transfers	Ending Balance	Due Within One Year
Governmental Activities:						
Capital leases	$ 7,000,000	$ -	$ (845,647)	$ -	$ 6,154,353	$ 1,036,582
Notes payable	787,060	1,773,584	(73,059)	-	2,487,585	76,895
Compensated absences	268,857	303,952	(256,590)	-	316,219	237,000
Landfill postclosure costs	-	-	(237,632)	1,340,632	1,103,000	49,350
Net pension obligation	(69,035)	87,124	-	-	18,089	-
Governmental activities long-term liabilities	$ 7,986,882	$ 2,164,660	$ (1,412,928)	$ 1,340,632	$ 10,079,246	$ 1,399,827

For governmental activities, compensated absences, landfill postclosure costs, and net pension obligation and are liquidated by the General Fund.

NOTE 7. LONG-TERM DEBT (CONTINUED)

	Beginning Balance	Additions	Reductions	Transfers	Ending Balance	Due Within One Year
Business-type Activities:						
Landfill postclosure costs	$ 1,409,300	$ -	$ (68,668)	$ (1,340,632)	$ -	$ -
Business-type activities long-term liabilities	$ 1,409,300	$ -	$ (68,668)	$ (1,340,632)	$ -	$ -

During the year ended June 30, 2009, the County transferred landfill postclosure costs from business-type activities to governmental activities.

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of vehicles. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. Equipment leased under capital leases totaled $7,000,000 and is included in capital assets of the governmental funds.

The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2009:

Year Ending June 30,	
2010	$ 1,275,054
2011	1,275,054
2012	1,275,054
2013	1,050,756
2014	1,050,756
2015	1,050,756
Total minimum lease payments	6,977,430
Less amount representing interest	823,077
Present value of future minimum lease payments	$ 6,154,353

Notes Payable. The County has also incurred debt to financial institutions for various construction projects. Included with these notes is a construction line of credit agreement for $3,000,000, of which $2,158,594 had been drawn as of June 30, 2009. These notes are as follows at June 30, 2009:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
5.10%	10 years	2013	$ 750,000	$ 328,991
3.54%	3.5 years	2012	2,158,584	2,158,594
				$ 2,487,585

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued). Debt service requirements to maturity on the note payable are as follows:

Year ending June 30,	Principal	Interest
2010	$ 76,895	$ 17,180
2011	80,871	13,204
2012	85,052	9,023
2013	86,173	4,637
	$ 328,991	$ 44,044

The above debt service requirements to maturity table does not include provision for the construction line of credit agreement for $3,000,000, of which $2,158,594 has been drawn as of June 30, 2009. This note payable is in the draw down phase as of June 30, 2009, and repayment will be determined when construction is complete and all draws have been made.

Landfill postclosure costs. Effective May 1996, the Sumter County Landfill was closed and no additional waste has been accepted. According to State and Federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of June 30, 2009, the County has a remaining 20 years of monitoring. Engineering studies estimate postclosure costs of approximately $1,103,000 over the 20-year period. These costs were previously recorded as long-term liabilities within the Solid Waste Management Fund; however, the County has transferred the liability to governmental activities during the current year. These costs are based on what it would cost to perform all postclosure care in 2009, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

Previously, several cities within Sumter County had agreed to share in the postclosure costs of the landfill based on the percentage of use of the landfill by the cities during the six months prior to May 1996, or 74.54%. During the current year, a decision was made to dissolve this agreement. Therefore, the County will be responsible for all future postclosure costs. The long-term amount due from other governments in the amount of $1,050,492 in the Solid Waste Fund was written off during the current year.

NOTE 8. TAX ANTICIPATION NOTE PAYABLE

Tax anticipation note payable reported as a liability of the General Fund consists of a $4,000,000 tax anticipation note issued May 14, 2009, of which $1,250,000 had been drawn as of June 30, 2009, to provide cash flow for the General Fund until tax collections begin later in the year. The note bears interest at 3.00% and matures on December 31, 2009.

Activity for the tax anticipation note payable (short-term liability) for the year ended June 30, 2009, was as follows:

Balance, June 30, 2008	Additions	Reductions	Balance, June 30, 2009
$ 1,000,000	$ 3,500,000	$ 3,250,000	$ 1,250,000

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	2004 SPLOST Fund	$ 7,055
General Fund	2007 SPLOST Fund	343,068
General Fund	Solid Waste Management Fund	300,000
		$ 650,123

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

Interfund transfers:

Transfers In	Transfers Out	Amount
Nonmajor governmental Fund	General Fund	$ 120,192
2004 SPLOST Fund	2007 SPLOST Fund	151,312
General Fund	Solid Waste Management Fund	300,000
Nonmajor governmental Fund	Nonmajor governmental Fund	29,671
		$ 601,175

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) provide unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

During the year ended June 30, 2009, the County transferred landfill postclosure costs of $1,340,632 from the Solid Waste Management Fund to the General Fund. This transfer is reflected in the Solid Waste Management Fund and in the governmental activities column in the government-wide financial statements.

NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

The County participates in the Association of County Commissioners of Georgia 401(a) Defined Contribution Plan (the Plan) which is administered by GEBCorp. The Plan provides retirement benefits to plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the County. Employees are not required to contribute to the Plan. The County contributes an amount equal to 50% of the amount contributed by participants to the County's deferred compensation plan, with a maximum match from the County of 3% of the participant's annual compensation. The County's contribution for each employee is 100% vested after five (5) years of continuous service. For the year ending June 30, 2009, the County's contribution to the Plan was $77,689. The amount contributed by employees was $232,687.

NOTE 11. DEFINED BENEFIT PENSION PLAN

Plan Description – Primary Government

On January 1, 2004, the County began sponsoring the Association County Commissioners of Georgia Sumter County Defined Benefit Plan (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, as provided in Section 19.03 of The ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of The ACCG Plan document.

Complete financial statements for the Association County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from Pension Service Company, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

Funding Policy

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

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the current year is as follows:

	January 1, 2008	January 1, 2007
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 194,054	$ 155,277
Interest on Net Pension Obligation	(5,523)	(4,339)
Amortization of Net Pension Obligation	5,827	4,578
Annual Pension Cost	$ 194,358	$ 155,516

Derivation of Net Pension Obligation	
Annual Pension Cost for Plan Year 2008	$ 194,358
Actual Contributions to Plan for Plan Year 2008	107,234
Increase (Decrease) in Net Pension Obligation	87,124
Net Pension Obligation (Asset) as of Beginning of Plan Year	(69,035)
Net Pension Obligation (Asset) as of End of Plan Year	$ 18,089

Basis of Valuation	
Current Valuation Date	January 1, 2008
Annual Return on Invested Plan Assets	8.0%
Projected Annual Salary Increases	4.5%
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period	30

Trend Information for The Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/08	$ 194,358	$ 107,234	55 %	$ 18,089
1/1/07	155,516	170,317	110	(69,035)
1/1/06	137,584	154,027	112	(54,234)

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

As of the most recent valuation date, January 1, 2008, the funded status of the Plan was as follows:

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/2007	$ 519,582	$ 998,229	$ 478,647	52.1%	$ 4,188,155	11.4%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2008.

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which, except as described in the following paragraph, the County carries commercial insurance in amounts deemed prudent by County management.

The County participates in the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

NOTE 12. RISK MANAGEMENT (CONTINUED)

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the Workers' Compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation:

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

Contractual Commitments:

In addition to the liabilities enumerated in the balance sheet at June 30, 2009, the County has contractual commitments on uncompleted construction contracts of approximately $532,982.

Grant Contingencies:

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

NOTE 14. JOINT VENTURES

Under Georgia law, the County, in conjunction with other cities and counties in the eight-county west central Georgia area, is a member of the Middle Flint Regional Development Center (RDC) and is required to pay annual dues thereto. During the year ended June 30, 2009, the County paid $18,188 in such dues. Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

NOTE 14. JOINT VENTURES (CONTINUED)

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

Middle Flint Regional Development Center
228 West Lamar Street
Americus, Georgia 31709

The Americus/Sumter County Airport Authority (the "Airport Authority") is comprised of five board members; two appointed by the County, two appointed by the City, and one joint appointment. The County allocated to the Airport Authority $39,200 during the year to assist with general operating expenses. The County governing body does not approve the budget nor does it have any oversight of the day to day operations of the Airport Authority. The Airport Authority was established to buy, sell, and own property. Separate financial statements are not available.

REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF FUNDING PROGRESS

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/2007	$ 519,582	$ 998,229	$ 478,647	52.1 %	$ 4,188,115	11.4 %
12/31/2006	355,242	825,776	470,534	43.0	3,880,073	12.1
12/31/2005	224,807	744,043	519,236	30.2	3,449,436	15.1

The assumptions used in the preparation of the above schedule are disclosed in Note 11 in the Notes to the Financial Statements.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Sheriff's Forfeiture Recovery Fund is used to account for confiscated cash seizures by Sumter County law enforcement from drug related crimes. Funds may be used for any public safety purpose except salaries of law enforcement personnel.

2002 CHIP – Housing Rehab Loan Fund is used to account for financing and construction of low income housing authorized by Community Development Block Grants provided through the federal government.

2007 CHIP – Housing Rehab Loan Fund is used to account for financing and construction of low income housing authorized by Community Development Block Grants provided through the federal government.

Sumter County Fire Districts Fund accounts for operations of the County's Fire Departments. Financing is provided by special property tax assessments.

CDBG – Business Loan Recovery Fund is used to account for the receipt of grant funds for use in the business loan project in accordance with grant specifications.

Victim and Witness Assistance Fund is used to account for the receipt of fine surcharges from the State Court and Superior Court of Sumter County designated by the County Commissioners for this purpose.

Law Library Fund is used to account for revenues generated through special filing charges in the County court system which are used to acquire and maintain library materials.

Southwestern Judicial Circuit Fund is used to account for the receipt of fees collected by the Juvenile Court restricted for the Court's use.

Drug Abuse Treatment and Education Fund is used to account for collection of additional penalties for certain drug related crimes and for expenditures of those funds solely and exclusively for drug abuse treatment and education programs relating to controlled substances and marijuana. (OCGA 15-21-100) This fund is administered by the Sheriff.

Correctional Institute Commissary Fund is used to account for proceeds of correctional institute inmate commissary sales.

Jail Commissary Fund is used to account for the proceeds of the jail inmate commissary sales.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Drug Court Fund is used to account for collection of additional penalties for certain drug related crimes and for expenditures of those funds solely and exclusively for drug abuse treatment and education programs relating to controlled substances and marijuana. This fund is administered by the courts.

Impaired Driving and Awareness Program Fund is used to account for the contributions received by the Sheriff's Office for the purpose of an impaired driving and awareness education program.

Capital Projects Fund

2005 CDBG – Street and Drainage Project Fund is used to account for the receipt of grant funds for use in the street and drainage project in accordance with grant specifications.

2008 CDBG – Street and Drainage Project Fund is used to account for the receipt of grant funds for use in the street and drainage project in accordance with grant specifications.

Capital Improvements Fund is used to account for all purchases or construction of capital assets of the government, not legally required to be accounted for in another fund.

SUMTER COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

ASSETS	Sheriff's Forfeiture Recovery	CHIP 2002-Housing Rehab Loan	CHIP 2007-Housing Rehab Loan
Cash and cash equivalents	$ 17,874	$ -	$ 3,200
Taxes receivable	-	-	-
Notes receivable	-	-	-
Due from other governments	-	-	-
Total assets	$ 17,874	$ -	$ 3,200
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ -	$ -	$ -
Total liabilities	-	-	-
FUND BALANCES			
Reserved for:			
Noncurrent loans receivable	-	-	-
Unreserved, undesignated	17,874	-	3,200
Total fund balances	17,874	-	3,200
Total liabilities and fund balances	$ 17,874	$ -	$ 3,200

Special Revenue						
Sumter County Fire Districts	CDBG - Business Loan Recovery	Victim and Witness Assistance	Law Library	Southwestern Judicial Circuit	Drug Abuse Treatment and Education
$ 375,865	$ 50,307	$ 102,296	$ 68,327	$ 42,641	$ 35,148
20,284	-	-	-	-	-
-	17,284	-	-	-	-
-	-	5,603	30	-	535
$ 396,149	$ 67,591	$ 107,899	$ 68,357	$ 42,641	$ 35,683
$ 2,748	$ -	$ 60	$ -	$ 896	$ -
2,748	-	60	-	896	-
-	17,284	-	-	-	-
393,401	50,307	107,839	68,357	41,745	35,683
393,401	67,591	107,839	68,357	41,745	35,683
$ 396,149	$ 67,591	$ 107,899	$ 68,357	$ 42,641	$ 35,683

(Continued)

SUMTER COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue		
ASSETS	Correctional Institute Commissary	Jail Commissary	Drug Court
Cash and cash equivalents	$ 53,986	$ 12,455	$ -
Taxes receivable	-	-	-
Notes receivable	-	-	-
Due from other governments	-	-	-
Total assets	$ 53,986	$ 12,455	$ -
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 16,253	$ -	$ -
Total liabilities	16,253	-	-
FUND BALANCES			
Reserved for:			
Noncurrent loans receivable	-	-	-
Unreserved, undesignated	37,733	12,455	-
Total fund balances	37,733	12,455	-
Total liabilities and fund balances	$ 53,986	$ 12,455	$ -

	Capital Projects			
Impaired Driving and Awareness Program	2005 CDBG - Street and Drainage Project	2008 CDBG - Street and Drainage Project	Capital Improvements	Total
$ 3,448	$ -	$ 51	$ 215,454	$ 981,052
-	-	-	-	20,284
-	-	-	-	17,284
-	-	-	-	6,168
$ 3,448	$ -	$ 51	$ 215,454	$ 1,024,788
$ -	$ -	$ -	$ 17,220	$ 37,177
-	-	-	17,220	37,177
-	-	-	-	17,284
3,448	-	51	198,234	970,327
3,448	-	51	198,234	987,611
$ 3,448	$ -	$ 51	$ 215,454	$ 1,024,788

SUMTER COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2009

	Sheriff's Forfeiture Recovery	CHIP 2002-Housing Rehab Loan	CHIP 2007-Housing Rehab Loan
Revenues:			
Property taxes	$ -	$ -	$ -
Others taxes	-	-	-
Intergovernmental	-	-	145,515
Charges for service	-	-	-
Fines and forfeitures	39,451	-	-
Interest income	20	-	-
Other revenues	-	-	-
Total revenues	39,471	-	145,515
Expenditures:			
Current:			
Judicial	-	-	-
Public safety	37,465	-	-
Housing and development	-	212	142,425
Capital outlay	-	-	-
Total expenditures	37,465	212	142,425
Excess (deficiency) of revenues over (under) expenditures	2,006	(212)	3,090
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	2,006	(212)	3,090
Fund balances, beginning of year	15,868	212	110
Fund balances, end of year	$ 17,874	$ -	$ 3,200

Special Revenue						
Sumter County Fire Districts	CDBG - Business Loan Recovery	Victim and Witness Assistance	Law Library	Southwestern Judicial Circuit	Drug Abuse Treatment and Education
$ 347,791	$ -	$ -	$ -	$ -	$ -
4,246	-	-	-	-	-
-	-	65,253	-	-	-
-	-	-	5,916	19,484	-
-	-	79,707	16,799	-	13,348
-	73	-	67	-	-
-	-	17,064	-	-	-
352,037	73	162,024	22,782	19,484	13,348
-	-	94,308	14,249	17,697	-
384,600	-	-	-	-	8,429
-	-	-	-	-	-
-	-	-	-	-	-
384,600	-	94,308	14,249	17,697	8,429
(32,563)	73	67,716	8,533	1,787	4,919
-	-	-	-	-	29,671
-	-	-	-	-	-
-	-	-	-	-	29,671
(32,563)	73	67,716	8,533	1,787	34,590
425,964	67,518	40,123	59,824	39,958	1,093
$ 393,401	$ 67,591	$ 107,839	$ 68,357	$ 41,745	$ 35,683

(Continued)

SUMTER COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue		
	Correctional Institute Commissary	Jail Commissary	Drug Court
Revenues:			
Property taxes	$ -	$ -	$ -
Other taxes	-	-	-
Intergovernmental	-	-	-
Charges for service	-	-	-
Fines and forfeitures	-	-	-
Interest income	-	16	-
Other revenues	208,603	102,514	-
Total revenues	208,603	102,530	-
Expenditures:			
Current:			
Judicial	-	-	88
Public safety	195,393	106,233	-
Housing and development	-	-	-
Capital outlay	-	-	-
Total expenditures	195,393	106,233	88
Excess (deficiency) of revenues over (under) expenditures	13,210	(3,703)	(88)
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	(29,671)
Total other financing sources (uses)	-	-	(29,671)
Net change in fund balances	13,210	(3,703)	(29,759)
Fund balances, beginning of year	24,523	16,158	29,759
Fund balances, end of year	$ 37,733	$ 12,455	$ -

Impaired Driving and Awareness Program	Capital Projects: 2005 CDBG - Street and Drainage Project	Capital Projects: 2008 CDBG - Street and Drainage Project	Capital Projects: Capital Improvements	Total
$ -	$ -	$ -	$ -	$ 347,791
-	-	-	-	4,246
-	100,262	5,000	-	316,030
-	-	-	-	25,400
-	-	-	-	149,305
-	-	-	-	176
5,500	-	-	12,498	346,179
5,500	100,262	5,000	12,498	1,189,127
-	-	-	-	126,342
8,862	-	-	-	740,982
-	-	-	-	142,637
-	100,734	4,949	64,446	170,129
8,862	100,734	4,949	64,446	1,180,090
(3,362)	(472)	51	(51,948)	9,037
-	-	-	120,192	149,863
-	-	-	-	(29,671)
-	-	-	120,192	120,192
(3,362)	(472)	51	68,244	129,229
6,810	472	-	129,990	858,382
$ 3,448	$ -	$ 51	$ 198,234	$ 987,611

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2004 ISSUE FOR THE YEAR ENDED JUNE 30, 2009

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Recreation facilities and equipment	$ 1,989,826	$ 1,975,991	$ 1,501,545	$ 468,589	$ 1,970,134
Public safety equipment, vehicles, and facilities	2,018,352	1,152,266	461,215	523,575	984,790
Water and drainage infrastructure improvements	345,000	220,000	61,341	-	61,341
Construction of county courthouse and administrative buildings	13,500,000	16,085,890	5,385,849	8,965,054	14,350,903
Library facilities and resources	174,333	174,333	169,853	4,479	174,332
Agricultural related administrative facilities	1,412,638	1,412,638	1,393,816	11,622	1,405,438
Cultural facilities and historical preservation	172,225	172,216	90,870	18,388	109,258
Renovation of senior center	40,000	40,000	2,144	-	2,144
Projects for the following cities:					
Andersonville	300,000	307,423	307,423	-	307,423
Desoto	58,786	58,786	5,602	18,949	24,551
Leslie	138,840	138,840	138,840	-	138,840
Plains	100,000	73,437	28,228	4,390	32,618
Road, street, and bridge improvements	1,750,000	188,180	107,484	-	107,484
	$ 22,000,000	$ 22,000,000	$ 9,654,210	$ 10,015,046	$ 19,669,256

NOTE: Adjustments have been made to prior years amounts to correctly state project beginning balances.

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2007 ISSUE FOR THE YEAR ENDED JUNE 30, 2009

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Humane Society facilities and equipment	$ 300,000	$ 300,000	$ 214,785	$ 61,127	$ 275,912
Recreation facilities	1,530,000	1,530,000	376,640	1,087,750	1,464,390
Judicial complex facility improvements	1,000,000	1,000,000	-	130,735	130,735
Vehicle replacement plan	750,000	750,000	377,890	13,338	391,228
Fire service equipment and facilities	250,000	250,000	-	6,330	6,330
Public works heavy equipment	450,000	450,000	210,323	219,103	429,426
Public works infrastructure	6,000,000	5,000,000	152,522	1,050	153,572
Georgia State Patrol facility	1,900,000	1,900,000	37,140	137,645	174,785
Human services center	2,000,000	3,000,000	1,581,658	190,210	1,771,868
Jail/correctional institute renovation	2,000,000	2,000,000	36,916	914,954	951,870
Library facilities and resources	250,000	250,000	-	4,380	4,380
Library drainage remediation	100,000	100,000	-	2,500	2,500
Hospital construction	3,000,000	3,000,000	4,400	28,650	33,050
Projects for the following cities:					
Americus	4,307,288	4,307,288	653,369	458,637	1,112,006
Andersonville	359,000	359,000	2,120	67,138	69,258
Desoto	310,000	310,000	1,920	52,268	54,188
Leslie	551,000	551,000	36,601	154,796	191,397
Plains	342,712	342,712	83,761	31,404	115,165
Project management	-	-	-	52,174	52,174
	$ 25,400,000	$ 25,400,000	$ 3,770,045	$ 3,614,189	$ 7,384,234

NOTE: Adjustments have been made to prior years amounts to correctly state project beginning balances.

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AGENCY FUNDS

Tax Commissioner – This fund is used to account for all real, personal and intangible taxes collected and forwarded to the County and other government units.

The following agency funds are used to account for fines, fees and other moneys collected by the courts and remitted to other parties in accordance with court orders and state law:

Clerk of Courts
Probate Court
Magistrate Court

Sheriff – This fund is used to account for collection of fees, proceeds from judicial sales, and cash bonds, which are disbursed to other agencies, the County, and individuals.

Jail Inmate Fund – This fund accounts for jail inmate funds while in custody, and for the purchase of items from the Jail Commissary and related activities on behalf of inmates and the jail.

Correctional Institute Inmate Fund – This fund is used to account for inmate funds held while in custody and for purchase of items from the Correctional Institute Commissary and related activities on behalf of the inmates.

ADR Fund – This fund is used to account for the receipt of special fees collected by the County courts and the transfer of those funds to the regional fund.

SUMTER COUNTY, GEORGIA

COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 2009

ASSETS	Tax Commissioner	Clerk of Courts	Probate Court	Magistrate Court	Sheriff
Cash	$ 225,266	$ 83,938	$ 116	$ 19,833	$ 319,120
Taxes receivable	945,251	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	$ 1,170,517	$ 83,938	$ 116	$ 19,833	$ 319,120
LIABILITIES					
Due to others	$ 1,170,517	$ 83,938	$ 116	$ 19,833	$ 319,120

Jail Inmate Fund	Correctional Institute Inmate Fund	ADR Fund	Total
$ 27,154	$ 13,340	$ 130,781	$ 819,548
-	-	-	945,251
-	-	1,945	1,945
$ 27,154	$ 13,340	$ 132,726	$ 1,766,744
$ 27,154	$ 13,340	$ 132,726	$ 1,766,744

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COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

Board of Commissioners
of Sumter County, Georgia
Americus, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Sumter County, Georgia as of and for the year ended June 30, 2009, which collectively comprise Sumter County, Georgia's basic financial statements, and have issued our report thereon dated April 29, 2010. We did not audit the financial statements of the Sumter County Department of Public Health or the Sumter County Livestock Authority. Those financial statements were audited by other auditors whose reports have been furnished to us. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sumter County, Georgia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Sumter County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Sumter County, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2009-1 through 2009-3 to be material weaknesses.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2009-4 and 2009-5 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sumter County, Georgia'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 that are required to be reported under *Government Auditing Standards*.

We also noted certain additional matters that we reported to the management of Sumter County, Georgia in a separate letter dated April 29, 2010.

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

This report is intended solely for the information and use of management and the Board of Commissioners of Sumter County, Georgia, 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.

Mauldin & Jenkins, LLC

Macon, Georgia
April 29, 2010

SUMTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2009

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ yes _____ no
Significant deficiencies identified not considered to be material weaknesses?	__X__ yes _____ none reported
Noncompliance material to financial statements noted?	_____ yes __X__ no

Federal Awards

There was not an audit of major federal award programs as of June 30, 2009 due to the total amount expended being less than $500,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2009 - 1. Revenue Cycle Transactions

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The County did not appropriately record all transactions involving the County's receivable and revenue accounts during the year ended June 30, 2009.

Context: We addressed this matter with County officials who were able to determine all appropriate revenue and receivable entries that should be recorded as of June 30, 2009.

Effect: Audit adjustments to increase cash in the amount of $29,693, increase due from other governments in the amount of $415,674, increase taxes receivable in the amount of $140,577, increase accounts receivable in the amount of $14,932, increase deferred revenues in the amount of $146,065, and increase revenues in the amount of $454,811 were required to be reported by the General Fund as of June 30, 2009. An audit adjustment to increase due from other governments and revenues in the amount of $49,608 was required to be reported in the 2004 SPLOST Fund as of June 30, 2009. Additionally, audit adjustments to increase cash in the amount of $16,944, increase taxes receivable in the amount of $20,284, increase due from other governments in the amount of $2,480, and increase revenues in the amount of $39,708 were required to be reported in the nonmajor funds as of June 30, 2009.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2009 - 1. Revenue Cycle Transactions (Continued)

Recommendation: We recommend the County begin recognizing and recording all necessary receivable and revenue adjustments at the end of each financial cycle.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will begin recognizing and recording all necessary receivable and revenue adjustments as appropriate in future years.

2009 - 2. Expenditure/Expense Cycle Transactions

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The County did not appropriately address the above criteria as it relates to accounts payable items that existed as of June 30, 2009 within the 2004 SPLOST Fund and 2007 SPLOST Fund.

Context: We addressed this matter with County officials and they were able to determine the amount of accounts payable that should be recorded as of June 30, 2009.

Effect: The following audit adjustments were required to be recorded as of June 30, 2009: 1) an adjustment to increase accounts payable and expenditures in the amount of $518,458 in the 2004 SPLOST Fund; 2) an adjustment to increase accounts payable and expenditures in the amount of $291,871 in the 2007 SPLOST Fund.

Recommendation: We recommend the County begin recognizing and recording accounts payable as required, and record the necessary adjustments to reflect the accounts payable balances at the conclusion of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to improve our accounts payable reconciliation process in future years for year end and month end reporting purposes.

2009 - 3. Solid Waste Fund Receivables

Criteria: Generally accepted accounting principles for enterprise funds require revenues to be recorded when earned.

Condition: The County has not been properly recording revenue and receivables in the Solid Waste Fund and reconciling the amount at the end of each period. Additionally, amounts due from other governments for current year methane monitoring fees have not been properly recorded.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2009 - 3. Solid Waste Fund Receivables (Continued)

Context: We addressed this matter with County officials, who determined the amount of the receivables which should be recorded as of June 30, 2009.

Effect: Audit adjustments to increase cash in the amount of $3,497, increase due from other governments in the amount of $131,077, increase accounts receivable in the amount of $85,701, and increase revenues in the amount of $220,275 were required to be reported by the Solid Waste Fund as of June 30, 2009.

Recommendation: We recommend the County begin to properly record revenues and receivables when amounts are billed and earned, and reconcile the general ledger to the reports provided by the Tax Commissioner.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will begin properly recording revenues and receivables when billed and earned and reconciling the ledgers to the reports provided by the Tax Commissioner.

2009 - 4. Fund Balance

Criteria: Internal controls should be in place to ensure fund balance reconciles to the prior year's financial statements.

Condition: For the fiscal year ending June 30, 2009, the County did not properly record several prior year audit entries, and therefore reconcile its fund balance to the prior year's financial statements for the General Fund.

Context: We addressed this matter with County officials, who were able to determine the necessary adjustment to properly state fund balance at June 30, 2009.

Effect: An audit adjustment to decrease accounts receivable in the amount of $30,294, decrease due from other governments in the amount of $8,000, decrease fund balance in the amount of $41,218, and increase revenues in the amount of $2,924 was required to be reported in the General Fund as of June 30, 2009.

Recommendation: The County should reconcile fund balance to the prior year's financial statements to ensure fund balance is properly stated at year end.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The County is working to improve our fund balance reconciliation process in future years for year-end reporting purposes.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2009 - 5. Segregation of Duties

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

Condition: Appropriate segregation of duties does not exist between recording, distribution, reconciliation of cash accounts and other operational functions in various areas of County operations. This is especially prominent in the offices of the Sheriff, Jail, Clerk of Court, Magistrate Court, and Probate Court.

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

Effect: Failure to properly segregate duties between recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The failure to properly segregate duties is due to the limited number of individuals available in these offices to perform each of the duties.

Recommendation: The duties of recording, distribution, approving, writing and signing of checks, and reconciliation of accounts should be segregated among employees.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The offices listed above are in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not Applicable

SUMTER COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

2008 - 1. Revenue Cycle Transactions

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The County did not appropriately record all transactions involving the County's receivable and revenue accounts during the year ended June 30, 2008.

Auditee Response/Status: Unresolved. This is included in current finding number 2009-1.

2008 - 2. Expenditure/Expense Cycle Transactions

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The County did not appropriately address the above criteria as it relates to accounts payable items that existed as of June 30, 2008 within the 2004 SPLOST Fund, 2007 SPLOST Fund, Solid Waste Fund, and nonmajor funds.

Auditee Response/Status: Unresolved. This is included in current finding number 2009-2.

2008-3. Recording of Lease Purchases

Criteria: Generally accepted accounting principles require the issuance of long-term debt in a governmental fund to be treated as an other financing source. The amount so reported should equal the face value of the debt.

Condition: The County entered into several new lease purchase agreements. These were recorded in a governmental fund as liabilities, instead of as other financing sources.

Auditee Response/Status: The above finding was corrected during fiscal year 2009 and is not included as a finding for the current year.

2008 - 4. Postclosure Liabilities and Due from Other Governments in the Solid Waste Fund

Criteria: Generally accepted accounting principles for enterprise funds require reporting of all liabilities when incurred and all revenues when earned, regardless of the timing of related cash flows.

Condition: The County did not appropriately record the liability for postclosure costs and adjust amounts due from other governments for these postclosure costs during the year ended June 30, 2008.

Auditee Response/Status: The above finding was corrected during fiscal year 2009 and is not included as a finding for the current year.

SUMTER COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

2008 - 5. Solid Waste Fund Receivables

Criteria: Generally accepted accounting principles for enterprise funds require revenues to be recorded when earned.

Condition: The County has not been properly recording revenue and receivables in the Solid Waste Fund and reconciling the amount at the end of each period. Additionally, amounts due from other governments for current year methane monitoring fees have not properly been recorded.

Auditee Response/Status: Unresolved. This is included in current finding number 2009-3.

2008 - 6. Law Library Activity

Criteria: Internal controls should be in place to ensure all activity of the County is recorded in the general ledger.

Condition: The County did not record any activity in its general ledger for one of the cash accounts of the Law Library during the year ended June 30, 2008.

Auditee Response/Status: The above finding was corrected during fiscal year 2009 and is not included as a finding for the current year.

2008 - 7. Correctional Institute Activity

Criteria: Internal controls should be in place to ensure all activity of the County is recorded in the general ledger.

Condition: The County did not record a portion of the activity in its general ledger for one of the cash accounts of the Correctional Institute during the year ended June 30, 2008.

Auditee Response/Status: The above finding was corrected during fiscal year 2009 and is not included as a finding for the current year.

2008 - 8. Segregation of Duties

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

Condition: Appropriate segregation of duties does not exist between recording, distribution, reconciliation of cash accounts and other operational functions in various areas of County operations. This is especially prominent in the Finance Department and the offices of the Sheriff, Correctional Institute, Jail, Clerk of Court, Magistrate Court, and Probate Court.

Auditee Response/Status: Unresolved. This is included in current finding number 2009-5.

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT ACCOUNTANT'S REPORT ON LOCAL ASSISTANCE GRANTS

To the Sumter County Board
of Commissioners
Americus, Georgia

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Forms about Sumter County, Georgia's compliance during the year ended June 30, 2009, with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for Governor's Emergency Fund Grant #GEF-03-E01-78 and Local Assistance Grant #08-C-L-342. Management is responsible for Sumter County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Sumter County, Georgia's compliance based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting Sumter County, Georgia's compliance with the above mentioned requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Sumter County, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that Sumter County, Georgia complied with the aforementioned requirement for the year ended June 30, 2009, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Sumter County, Georgia Board of Commissioners and the Georgia Department of Audits and Accounts, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Macon, Georgia
April 29, 2010

State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

LINE		
A	Local Government	**Sumter County, Georgia**
B	State Awarding Agency	**Department of Community Affairs State of Georgia**
C	Grant Identification Number	**GEF-03-E01-78**
D	Grant Title	**Governor's Emergency Fund Grant**
E	Grant Award Date	**July 23, 2002**
F	Grant Amount	**$14,503.00**

		COLUMN 1 **Current Year Activity** For the Year Ended: June 30, 2009	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: June 30, 2009
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$10,963.00	
I	Grant Receipts or Revenue Recognized	$0.00	$14,503.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$0.00	$3,540.00
K	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$10,963.00	$10,963.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date April 26, 2010

Signature of Chief Financial Officer _____ Date April 26, 2010

State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

LINE		
A	Local Government	**Sumter County, Georgia**
B	State Awarding Agency	**Department of Community Affairs State of Georgia**
C	Grant Identification Number	**08-C-L-342**
D	Grant Title	**Local Assistance Grant**
E	Grant Award Date	**August 27, 2007**
F	Grant Amount	**$18,000.00**

		COLUMN 1 **Current Year Activity** For the Year Ended: June 30, 2009	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: June 30, 2009
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	($4,500.00)	
I	Grant Receipts or Revenue Recognized	$0.00	$13,500.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$0.00	$18,000.00
K	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	($4,500.00)	($4,500.00)

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official Kent Williams Date April 26, 2010

Signature of Chief Financial Officer Ann H Bamford Date April 26, 2010

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