SUMTER COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2012

SUMTER COUNTY, GEORGIA

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Annual Financial Report
For the Year Ended June 30, 2012

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FINANCIAL SECTION

CHAMBLISS, SHEPPARD, ROLAND & BAXTER, LLP

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, 2012, 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 $400,294 and $210,240, respectively, as of June 30, 2012, and total revenues of $901,437 and $212,702, 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund and the Fire Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 2 to the financial statements, the County corrected its method of computing the liability for landfill post-closure care costs reported in the government wide financial statements; and it made corrections to capital assets and accumulated depreciation.

In accordance with *Government Auditing Standards*, we have also, issued our report dated February 15, 2013, 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 3 through 9) and the Schedule of Funding Progress (on page 44) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sumter County, Georgia's basic financial statements as a whole. 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 accompanying schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the financial statements of Sumter County, Georgia. The combining and individual nonmajor fund financial statements, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Chambliss Sheppard Roland Baxter LLP

Americus, Georgia
February 15, 2013

SUMTER COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

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, 2012.

Financial Highlights

- The assets of Sumter County exceeded its liabilities at June 30, 2012, by $67.4 million (net assets).
- At fiscal period ending June 30,2012, the County's General Fund reported unassigned fund balance of $1,360,361.

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, Victim and Witness Assistance, Law Library, 2007 CHIP—Housing Rehab Loans, 2010 CDBG Housing Rehabilitation, CDBG—Business Loan Recovery, Drug Abuse Treatment and Education, Sheriff Forfeiture Recovery Fund, Correctional Institute Commissary, and Jail Commissary); and Capital Projects (2004 SPLOST, 2007 SPLOST, 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, Fire Fund, 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, and the Fire 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. Agency funds include the cash funds maintained by the Probate Court, Magistrate Court, Clerk of Courts, Sheriff, and Tax Commissioner. Sumter County serves as "fiscal agent" by providing accounting and cash management services for the following offices of the Southwestern Judicial Circuit: The Alternative Dispute Resolution Fund, the Juvenile Court, the Public Defender, and the District Attorney.

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 and the Agency 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 $66,703,836 at the close of the most recent fiscal period.

A large portion of the County's net assets, 94%, reflects its investment in capital assets (e.g. and, 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. Investment in its capital assets is reported net of related debt, 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
	2012	2011	2012	2011	2012	2011	2011-2012
Current and other assets	$ 5.49	$ 7.04	$ 0.83	$ 0.58	$ 6.32	$ 7.62	(17.06)%
Capital assets	69.77	70.99	-	-	69.77	70.99	(1.72)
Total Assets	75.26	78.03	0.83	0.58	76.09	78.61	(3.21)
Long-term liabilities outstanding	7.62	10.76	-	-	7.62	10.76	(29.18)
Other liabilities	0.94	3.93	0.09	0.08	1.03	4.01	(74.31)
Total liabilities	8.56	14.69	0.09	0.08	8.65	14.77	(41.44)
Net assets:							
Invested in capital assets net of related debt	62.87	61.30	-	-	62.87	61.30	2.56
Restricted	2.47	1.79	-	-	2.47	1.79	37.99
Unrestricted	1.36	0.25	0.74	0.50	2.10	0.75	180.00
Total net assets	$ 66.70	$ 63.34	$ 0.74	$ 0.50	$ 67.44	$ 63.84	5.64%

The following table summarizes the changes in net assets for the primary government for the fiscal years ended June 30, 2012 and 2011:

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

	Governmental Activities		Business-type Activities		Total Activities		Percentage Change
	2012	2011	2012	2011	2012	2011	2011-2012
Revenues							
Program revenues:							
Charges for Services	$ 6.82	$ 6.45	$ 1.23	$ 1.09	$ 8.05	$ 7.54	6.76%
Operating grants & contributions	.39	.46	-	-	.39	.46	(15.22)
Capital grants & contributions	.42	.84	-	-	.42	.84	(50.00)
General Revenues							
Property taxes	9.01	9.02	-	-	9.01	9.02	(0.10)
Other taxes	7.55	7.21	-	-	7.55	7.21	4.72
Investment income	-	-	-	-	-	-	-
Late payment penalties & fees	-	-	0.05	-	0.05	-	100.00
Gain on sale of capital assets	0.02	-	-	-	0.02	-	100.00
Total Revenues	24.21	23.98	1.28	1.09	25.49	25.07	1.68
Expenses							
General Government	3.10	2.97	-	-	3.10	2.97	4.38
Judicial	2.15	2.15	-	-	2.15	2.15	-
Public safety	11.51	11.59	-	-	11.51	11.59	(.69)
Public works	2.20	2.49	-	-	2.20	2.49	(11.65)
Health & welfare	.57	.42	-	-	.57	.42	35.71
Recreation	1.03	1.02	-	-	1.03	1.02	.98
Housing & development	.75	.79	-	-	.75	.79	(5.06)
Interest on long-term debt	.37	.43	-	-	.37	.43	(13.95)
Solid waste	-	-	1.02	0.96	1.02	.96	6.25
Total expenses	21.68	21.86	1.02	0.96	22.70	22.82	(0.52)
Increase (decrease) in net assets before transfers	2.53	2.12	0.26	.13	2.79	2.25	24.00
Transfers	0.02	-	(0.02)	-	-	-	-
Change in net assets	2.55	2.12	0.24	.13	2.79	2.25	24.00
Net assets, beginning of year	63.34	61.22	.50	.37	63.84	61.59	3.65
Prior period adjustment	0.81	-	-	-	0.81	-	100.00
Net assets, end of year	$ 66.70	$ 63.34	$ 0.74	$ .50	$ 67.44	$63.84	5.64%

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund of Sumter County. At the end of the current fiscal year unassigned fund balance of the General Fund was $1,572,783, while the total fund balance was $1,595,523.

Fire Fund

Financial position and operating results of the County-wide fire department is accounted for in the Fire Fund. At the end of the current fiscal year the fund's unassigned fund balance was a deficit of $162,799. The Commissioners committed $15,480 of the fund balance to provide matching for future grant funding. Total fund balance at year end was a deficit of $147,319.

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 which started in 2008. At the end of the current fiscal year, expenditures were $3.5 million and revenues were $4.4 million. Fund balance at the end of the current fiscal year was $2,007,531.

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 $740,973.

General Fund Budgetary Highlights

Over the course of the year, the Board of Commissioners revised the County budget on multiple occasions to avoid budget overruns. Continuation occurred with regards to furlough days and freezing vacant positions except those approved by the Board of Commissioners.

The total General Fund actual expenditures fell below the final budgeted amount by $385,171. This was due to a combined effort on the part of all the departments to tightly manage their spending.

Capital Asset and Debt Administration

Capital assets. Sumter County's investment in capital assets for its governmental activities as of June 30, 2012, amounts to $69,771,800 (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
	2012	2011	2011-2012
Land	$ 862,468	$ 862,468	- %
Construction in progress	9,045,863	9,860,049	(8.26)
Buildings and improvements	31,537,009	29,725,642	6.09
Machinery and equipment	1,406,936	2,085,637	(32.54)
Infrastructure	26,919,524	28,459,704	(5.41)
Total	$ 69,771,800	$ 70,993,500	(1.72)

Corrections amounting to a net of $437,164 were made to increase the carrying value of capital assets at the beginning of the year.

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, 2012, is summarized below.

	Beginning Balance	Prior Period Adjustment	Additions	Reductions	Ending Balance
Governmental Activities:					
Capital leases	$ 8,792,544	$ -	$ -	$ (1,977,807)	$ 6,814,737
Notes payable	903,643	-	-	(817,470)	86,173
Compensated absences	329,134	-	363,253	(337,588)	354,799
Landfill post-closure care costs	721,900	(373,250)	-	(13,455)	335,195
Net pension obligation	17,894	-	6,133	-	24,027
Total	$ 10,765,115	$ (373,250)	$ 369,386	$ (3,146,320)	$ 7,614,931

The ACCG/Lease-Purchase Agreements are related to SPLOST projects start-up for property and equipment and includes Fire Department sub-stations construction and equipment.

The County's share of the Engineering and post-closure costs associated with the closing of the Sumter County landfill are estimated to be approximately $335,195 over an estimated 13 year period of monitoring. The liability at the beginning of the year was adjusted to accurately report the County's pro-rata share of the costs which are allocated among the Cities and the County.

See Note 7 of this report for additional information regarding the County's long-term debt.

Economic Factors and Next Year's Budgets

- Based on the current continued economic conditions, Sumter County expects to continue to feel the effect of the slowdown and budget accordingly.
- Sumter County has continued to use inmate labor during 2012 to help with current construction projects and will continue to self-perform these projects as it is seen to be cost effective.
- The County fire department has four manned and 18 unmanned fire stations which are staffed by 17 full-time and 12 part-time career firefighters and 15 inmate firefighters.

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.

SUMTER COUNTY, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Sumter County Department of Public Health	Sumter County Livestock Authority
ASSETS					
Cash and cash equivalents	$ 3,744,907	$ 643,453	$ 4,388,360	$ 393,396	$ 106,520
Sales taxes receivable	551,988	-	551,988	-	-
Property taxes receivable	716,675	-	716,675	-	-
Accounts receivable, net of allowances	108,004	112,362	220,366	328	65,310
Notes receivable	6,887	-	6,887	-	-
Due from other governments	341,128	72,629	413,757	-	-
Inventories	22,740	-	22,740	-	-
Capital assets, non-depreciable	9,908,331	-	9,908,331	-	600
Capital assets, depreciable, net of accumulated depreciation	59,863,469	-	59,863,469	6,570	37,810
Total assets	75,264,129	828,444	76,092,573	400,294	210,240
LIABILITIES					
Accounts payable	523,455	87,471	610,926	-	22,251
Accrued liabilities	421,907	-	421,907	-	-
Capital leases due within one year	1,441,609	-	1,441,609	-	-
Capital leases due in more than one year	5,373,128	-	5,373,128	-	-
Notes payable due within one year	86,173	-	86,173	-	-
Compensated absences due within one year	329,963	-	329,963	23,089	-
Compensated absences due in more than one year	24,836	-	24,836	56,674	-
Landfill postclosure costs due within one year	13,455	-	13,455	-	-
Landfill postclosure costs due in more than one year	321,740	-	321,740	-	-
Net pension obligation due in more than one year	24,027	-	24,027	-	-
Total liabilities	8,560,293	87,471	8,647,764	79,763	22,251
NET ASSETS					
Investment in capital assets, net of related debt	62,870,890	-	62,870,890	6,570	38,410
Restricted for:					
Judicial	82,358	-	82,358	-	-
Public safety	228,577	-	228,577	-	-
Housing and development	63,271	-	63,271	-	-
Capital projects	2,098,379	-	2,098,379	-	-
Other purposes	-	-	-	946	-
Unrestricted	1,360,361	740,973	2,101,334	313,015	149,579
Total net assets	$ 66,703,836	$ 740,973	$ 67,444,809	$ 320,531	$ 187,989

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

SUMTER COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total	Component Units: Sumter County Department of Public Health	Component Units: Sumter County Livestock Authority
Primary government:									
Governmental activities:									
General government	$ 3,095,509	$ 1,048,831	$ 203,478	$ 4,252	$ (1,838,948)	$ -	$ (1,838,948)	$ -	$ -
Judicial	2,154,673	874,269	106,913	-	(1,173,491)	-	(1,173,491)	-	-
Public safety	11,512,152	4,560,845	9,960	244,673	(6,696,674)	-	(6,696,674)	-	-
Public works	2,198,110	43,705	-	-	(2,154,405)	-	(2,154,405)	-	-
Health and welfare	570,965	-	-	170,997	(399,968)	-	(399,968)	-	-
Recreation	1,031,779	238,972	-	-	(792,807)	-	(792,807)	-	-
Housing and development	748,355	59,671	66,200	-	(622,484)	-	(622,484)	-	-
Interest on long-term debt	375,358	-	-	-	(375,358)	-	(375,358)	-	-
Total governmental activities	21,686,901	6,826,293	386,551	419,922	(14,054,135)	-	(14,054,135)	-	-
Business-type activities:									
Solid waste management	1,017,454	1,229,883	-	-	-	212,429	$ 212,429	-	-
Total business-type activities	1,017,454	1,229,883	-	-	-	212,429	212,429	-	-
Total primary government	$ 22,704,355	$ 8,056,176	$ 386,551	$ 419,922	$ (14,054,135)	$ 212,429	$ (13,841,706)	$ -	$ -
Component units:									
Sumter County Department of Public Health	$ 943,590	$ 271,352	$ 377,613	$ -	$ -	$ -	$ -	$ (294,625)	$ -
Sumter County Livestock Authority	208,097	212,702	-	-	-	-	-	-	4,605
Total component units	$ 1,151,687	$ 484,054	$ 377,613	$ -	$ -	$ -	$ -	$ (294,625)	$ 4,605
General revenues:									
Property taxes					9,007,268	-	9,007,268	-	-
Sales taxes					6,697,666	-	6,697,666	-	-
Insurance premium taxes					591,554	-	591,554	-	-
Other taxes					264,448	-	264,448	-	-
Allotment from Sumter County government					-	-	-	249,028	-
Late payment penalties and fees					-	51,039	51,039	-	-
Unrestricted investment earnings					405	47	452	3,444	-
Gain on sale of capital assets					17,359	-	17,359	-	-
Transfers					25,000	(25,000)	-	-	-
Total general revenues and transfers					16,603,700	26,086	16,629,786	252,472	-
Change in net assets					2,549,565	238,515	2,788,080	(42,153)	4,605
Net assets, beginning of year (as originally reported)					63,343,857	502,458	63,846,315	362,684	183,384
Prior period adjustment					810,414	-	810,414	-	-
Net assets, beginning of year (as restated)					64,154,271	502,458	64,656,729	362,684	183,384
Net assets, end of year					$ 66,703,836	$ 740,973	$ 67,444,809	$ 320,531	$ 187,989

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

SUMTER COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General	Sumter County Fire	2007 SPLOST	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	$ 1,599,454	$ 5,612	$ 1,642,705	$ 497,136	$ 3,744,907
Sales taxes receivable	187,162	-	364,826		551,988
Property taxes receivable	564,786	151,889	-	-	716,675
Notes receivable	-	-	-	6,887	6,887
Accounts receivable	108,004	-	-	-	108,004
Due from other governments	326,278	-	-	14,850	341,128
Due from Fire Fund	125,789	-	-	-	125,789
Inventories	22,740	-	-	-	22,740
Total assets	$ 2,934,213	$ 157,501	$ 2,007,531	$ 518,873	$ 5,618,118
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 487,007	$ 18,676	$ -	$ 17,772	523,455
Accrued liabilities	324,450	20,641	-	-	345,091
Deferred revenues	527,233	139,714	-	2,364	669,311
Due to General Fund	-	125,789	-	-	125,789
Total liabilities	1,338,690	304,820	-	20,136	1,663,646
FUND BALANCES					
Nonspendable	22,740	-	-	6,887	29,627
Restricted	-	-	2,007,531	322,976	2,330,507
Committed	-	15,480	-	89,438	104,918
Assigned	-	-	-	79,436	79,436
Unassigned	1,572,783	(162,799)	-	-	1,409,984
Total fund balances (deficit)	1,595,523	(147,319)	2,007,531	498,737	3,954,472
Total liabilities and fund balances	$ 2,934,213	$ 157,501	$ 2,007,531	$ 518,873	

Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in the government activities are not financial resources and, therefore, are not reported in the funds.		69,771,800
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds		
Taxes	$ 527,233	
Public Safety	139,714	
Housing and development	2,364	669,311
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable	$ (76,816)	
Capital leases	(6,814,737)	
Notes payable	(86,173)	
Landfill postclosure costs	(335,195)	
Compensated absences	(354,799)	(7,667,720)
Net pension obligation used in governmental activities is not a financial resource and, therefore is not reported in the funds		(24,027)
Net assets of governmental activities		$ 66,703,836

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, 2012

	General	Sumter County Fire	2007 SPLOST	Other Governmental Funds	Total
Revenues:					
Property taxes	$ 9,025,209	$ -	$ -	$ -	$ 9,025,209
Sales taxes	2,271,188	-	4,426,478	-	6,697,666
Other taxes	856,002	-	-	-	856,002
Licenses and permits	87,182	-	-	-	87,182
Intergovernmental	221,656	100,000	-	832,004	1,153,660
Charges for services	3,598,218	1,100,825	-	2,905	4,701,948
Fines and forfeitures	569,947	-	-	147,504	717,451
Interest	266	-	4,249	142	4,657
Other revenues	867,723	8,640	-	307,471	1,183,834
Total revenues	17,497,391	1,209,465	4,430,727	1,290,026	24,427,609
Expenditures:					
Current					
General government	2,730,887	-	-	-	2,730,887
Judicial	1,919,119	-	-	234,085	2,153,204
Public safety	9,170,137	908,341	-	317,898	10,396,376
Public works	1,023,779	-	-	-	1,023,779
Health and welfare	416,381	-	-	-	416,381
Culture and recreation	992,959	-	-	-	992,959
Housing and development	620,034	-	-	127,555	747,589
Intergovernmental	-	-	7,457	-	7,457
Capital outlay	-	-	897,734	280,391	1,178,125
Debt service:					
Principal	85,052	295,711	2,414,514	-	2,795,277
Interest	85,654	69,850	214,647	-	370,151
Total expenditures	17,044,002	1,273,902	3,534,352	959,929	22,812,185
Excess (deficiency) of revenues over (under) expenditures	453,389	(64,437)	896,375	330,097	1,615,424
Other financing sources (uses):					
Proceeds from sale of assets	7,279	22,501	-	-	29,780
Transfers in	51,260	-	-	-	51,260
Transfers out	-	(26,260)	-	-	(26,260)
Total other financing sources (uses)	58,539	(3,759)	-	-	54,780
Net change in fund balances	511,928	(68,196)	896,375	330,097	1,670,204
Fund balance(deficit), beginning of year	1,083,595	(79,123)	1,111,156	168,640	2,284,268
Fund balance(deficit), end of year	$ 1,595,523	$ (147,319)	$ 2,007,531	$ 498,737	$ 3,954,472

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 THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

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

Net change in fund balances - total governmental funds		$ 1,670,204
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.		
Capital outlay	990,295	
Depreciation expense	(2,636,738)	(1,646,443)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(12,421)
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.		(233,502)
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 payments made on notes payable and capital leases.		
Principal paid on Capital Leases	$ 1,977,807	
Principal paid on Notes Payable	817,470	
Landfill postclosure costs	13,455	2,808,732
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 the governmental funds.		
Compensated absences	$ (25,665)	
Net pension obligation	(6,133)	
Accrued interest	(5,207)	(37,005)
Change in net assets - governmental activities		$ 2,549,565

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

SUMTER COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 8,546,643	$ 8,546,643	$ 9,025,209	$ 478,566
Sales taxes	2,220,000	2,220,000	2,271,188	51,188
Other taxes	980,300	980,300	856,002	(124,298)
Licenses and permits	87,550	87,550	87,182	(368)
Intergovernmental	59,222	244,539	221,656	(22,883)
Charges for services	3,804,732	3,804,732	3,598,218	(206,514)
Fines and forfeitures	669,300	669,300	569,947	(99,353)
Interest income	3,500	3,500	266	(3,234)
Miscellaneous	889,657	930,157	867,723	(62,434)
Total revenues	17,260,904	17,486,721	17,497,391	10,670
Expenditures:				
Current:				
General government				
Board of commissioners	74,755	73,637	72,170	1,467
County clerk	65,834	62,164	59,828	2,336
Administrator	140,851	140,914	133,755	7,159
Elections	156,263	148,695	136,953	11,742
Financial administration	378,874	312,770	303,264	9,506
Legal	76,655	87,755	87,180	575
Information systems	103,899	79,999	79,036	963
Human resources	96,738	98,371	88,379	9,992
Tax commissioner's office	358,325	334,357	318,492	15,865
Tax assessor's office	480,997	414,290	396,031	18,259
Board of equalization	7,405	7,405	2,478	4,927
Risk management	298,000	264,000	263,654	346
Building and grounds	570,428	725,197	716,766	8,431
General administration	34,315	74,315	72,901	1,414
Total general government	2,843,339	2,823,869	2,730,887	92,982
Judicial:				
Court administration	41,588	38,624	35,723	2,901
Judge of superior court	226,237	147,596	140,385	7,211
Clerk of courts	462,310	436,701	425,662	11,039
District attorney	152,598	152,598	152,598	-
State court	90,930	87,670	78,317	9,353
Magistrate court	375,944	368,823	359,349	9,474
Probate court	159,919	159,699	145,624	14,075
Juvenile court	77,245	46,245	77,850	(31,605)
Grand jury	20,700	20,700	12,095	8,605
Public defense	430,043	438,343	491,516	(53,173)
Total judicial	2,037,514	1,896,999	1,919,119	(22,120)

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

(Continued)

SUMTER COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Current (Continued)				
Public safety:				
Sheriff's office	$ 3,176,792	$ 3,452,776	$ 3,449,416	$ 3,360
Jail operations	2,621,375	2,644,243	2,632,770	11,473
Correctional institute	3,023,016	2,929,229	2,858,949	70,280
Coroner	48,046	48,060	36,613	11,447
E911	118,068	94,568	94,488	80
Animal control	93,854	92,770	92,242	528
Emergency management	4,751	9,851	5,659	4,192
Total public safety	9,085,902	9,271,497	9,170,137	101,360
Public works:				
Public works department	1,019,885	1,024,502	995,455	29,047
Landfill closure/postclosure	104,000	61,500	23,309	38,191
Keep Sumter Beautiful	-	5,020	5,015	5
Total public works	1,123,885	1,091,022	1,023,779	67,243
Health and welfare:				
Public health	288,858	288,858	288,425	433
Public welfare	73,674	73,674	73,674	-
Community service	37,482	37,482	37,482	-
Senior citizen center	16,800	16,800	16,800	-
Total health and welfare	416,814	416,814	416,381	433
Culture and recreation:				
Recreation	972,897	966,038	872,463	93,575
Libraries	120,496	120,496	120,496	-
Total culture and recreation	1,093,393	1,086,534	992,959	93,575
Housing and development:				
County agent's office	114,664	107,564	98,360	9,204
Forest resources	17,989	17,989	17,989	-
Building inspection	50,499	50,526	42,092	8,434
Planning and zoning	126,666	130,682	124,289	6,393
Code enforcement	6,350	6,350	4,127	2,223
Economic development	124,833	124,833	124,833	-
Airport	37,000	208,344	208,344	-
Total housing and development	478,001	646,288	620,034	26,254

(Continued)

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

SUMTER COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Debt service:				
Principal	$ 85,052	$ 85,052	$ 85,052	$ -
Interest	165,398	111,098	85,654	25,444
Total debt service	250,450	196,150	170,706	25,444
Total expenditures	17,329,298	17,429,173	17,044,002	385,171
Excess (deficiency) of revenues over (under) expenditures	(68,394)	57,548	453,389	395,841
Other financing sources (uses):				
Proceeds from sale of assets	150,000	150,000	7,279	(142,721)
Contingencies	(59,366)	(85,308)	-	85,308
Transfers in	51,260	51,260	51,260	-
Transfers out	(73,500)	(173,500)	-	173,500
Total other financing sources (uses)	68,394	(57,548)	58,539	116,087
Net change in fund balances	-	-	511,928	511,928
Fund balance, beginning of year	1,083,595	1,083,595	1,083,595	-
Fund balance, end of year	$ 1,083,595	$ 1,083,595	$ 1,595,523	$ 511,928

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

SUMTER COUNTY, GEORGIA

FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for services	$ 1,155,570	$ 1,155,570	$ 1,100,825	$ (54,745)
Intergovernmental	-	-	100,000	100,000
Other revenues	500	500	8,640	8,140
Total revenues	1,156,070	1,156,070	1,209,465	53,395
Expenditures:				
Current:				
Public safety:				
County fire department	879,250	879,250	908,341	(29,091)
Total public safety	879,250	879,250	908,341	(29,091)
Debt service:				
Principal	295,711	295,711	295,711	-
Interest	69,849	69,849	69,850	(1)
Total debt service	365,560	365,560	365,561	(1)
Total expenditures	1,244,810	1,244,810	1,273,902	(29,092)
Excess (deficiency) of revenues over (under) expenditures	(88,740)	(88,740)	(64,437)	24,303
Other financing sources (uses):				
Proceeds from sale of assets	15,000	15,000	22,501	7,501
Transfers in	100,000	100,000	-	(100,000)
Transfers out	(26,260)	(26,260)	(26,260)	-
Total other financing sources (uses)	88,740	88,740	(3,759)	(92,499)
Net change in fund balances	-	-	(68,196)	(68,196)
Fund balance(deficit), beginning of year	(79,123)	(79,123)	(79,123)	-
Fund balance(deficit), end of year	$ (79,123)	$ (79,123)	$ (147,319)	$ (68,196)

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

SUMTER COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Major Enterprise Fund Solid Waste Management
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 643,453
Accounts receivable, net of allowances	112,362
Due from other governments	72,629
Total current assets	828,444
Total assets	828,444
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	87,471
Total current liabilities	87,471
Total liabilities	87,471
NET ASSETS	
Unrestricted	740,973
Total net assets	$ 740,973

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 FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Major Enterprise Fund Solid Waste Management
OPERATING REVENUES	
Charges for services:	
Solid waste collection fees	$ 1,229,883
Late payment penalties and fees	51,039
Total operating revenues	1,280,922
OPERATING EXPENSES	
Contracted services	1,017,454
Total operating expenses	1,017,454
Operating income	263,468
NONOPERATING INCOME	
Interest income	47
Total nonoperating income	47
Income (Loss) before transfers	263,515
TRANSFERS	
Transfers out	(25,000)
Total transfers	(25,000)
Change in net assets	238,515
NET ASSETS, beginning of year	502,458
NET ASSETS, end of year	$ 740,973

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, 2012

	Major Enterprise Fund Solid Waste Management
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 1,218,448
Late payment penalties and fees collected from customers	51,039
Receipts from other governments	90,000
Payments to suppliers and service providers	(1,011,035)
Net cash provided by operating activities	348,452
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to other funds	(25,000)
Net cash provided by noncapital financing activities	(25,000)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	47
Net cash provided by investing activities	47
Net increase in cash and cash equivalents	323,499
Cash and cash equivalents:	
Beginning of year	319,954
End of year	$ 643,453
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 263,468
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(11,435)
Decrease in due from other governments	90,000
Increase in accounts payable	6,419
Net cash provided by operating activities	$ 348,452

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

SUMTER COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2012

	Agency Funds
ASSETS	
Cash	$ 434,735
Taxes receivable	1,264,610
Due from other governments	135,149
Total assets	$ 1,834,494
LIABILITIES	
Due to others	1,834,494
Total liabilities	$ 1,834,494

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 with five elected commissioners who represent the district of their residence. The chairman and vice chairman are elected each year by the five-member board. The commissioners serve on a part-time, basis, and are elected to staggered four year terms. The Board of County Commissioners' meets in regular session on the third Tuesday of each month. Sumter County provides the following services as authorized by its charter: public safety, highways and streets, health and social services, culture and recreation, courts, correctional institute, public improvements, planning and zoning, and general administrative services.

As required by GAAP the financial statements of the reporting entity include those of Sumter County, Georgia (the "primary government") and its component units.

The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. The primary government includes the offices of elected officials: Tax Commissioner, Sheriff, Probate Judge, Magistrate Judge, State Court Judge, and Clerk of Superior and State Courts.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the County is obligated for the debt of the organization. Component units are reported in the County's financial statements as "discretely presented component units" or "blended component unit" depending on the degree of the relationship between a component unit and the primary government. Sumter County has no blended component units.

The following component units are discretely presented component units to emphasize that they are legally separate from the County:

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 provides a significant amount of funding, and it 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, 2012.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

The Sumter County Department of Public Health (continued)
The Health Department's financial statements can be obtained by writing to the Sumter County Health Department, 1601 N. Martin Luther King, Jr. Blvd., Suite 100, Americus, Georgia 31719.

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, 2012.

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

B. Basis of Presentation

The **government-wide financial statements** report information on all of the non-fiduciary activities of the primary government and its component units in the statement of net assets and the statement of activities. 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, because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *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 net assets presents the financial position of the governmental activities, business-type activities and the discretely presented component units of the County at year-end. 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; 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

The **fund financial statements** provide information about the County's funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

The **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.

The **fiduciary funds** are used to account for the assets held by the county in trustee capacity or as agent for individuals, other governmental units and/or other funds.

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.

C. Measurement Focus and Basis of Accounting

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. 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. Discretely presented component units generally are reported only at the government-wide financial reporting level.

The **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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting (continued)

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 **Fire Fund** accounts for the fees billed to property owners and expenditures of operating the County-Wide fire department.

The **2007 Special Purpose Local Option Sales Tax Fund (2007 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.

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 Department, Jail Inmate Fund, and Correctional Institute Inmate Fund. The County serves as "fiscal agent" by providing accounting and cash management services for the following funds which are maintained as a courtesy to the Southwestern Judicial Circuit: Alternative Dispute Resolution Fund, the Juvenile Court, the Public Defender, and the District Attorney.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 as required for all governmental funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgets for Capital Project Funds are adopted on a project basis, spanning more than one fiscal year. Budgetary control (the level at which expenditures may not legally exceed appropriations) is exercised at the department level or by projects. The County Commission must approve, by amendment, any departmental level changes to a previously adopted budget. The Board of Commissioners must approve transfers of any salary related items.

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.

The County's investment policy and State statutes authorize the County to invest in bank and savings and loan certificates of deposit; 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.

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."

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, 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 cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In accordance with GASB 34, general infrastructure assets, which includes roads, bridges, sidewalks, and similar items with an acquisition date of January 1, 1980 or later, have been capitalized. Interest incurred during the construction of capital assets used by the enterprise fund is capitalized.

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. Major outlays for capital assets and improvements are capitalized as projects are completed.

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

I. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On governmental financial statements (i.e. on the modified accrual basis of accounting) receivables that are not collected within the available period have been reported as deferred revenue (they are measurable but not available) rather than as revenue. Property taxes are examples of such. Deferred revenue in governmental funds is susceptible to full accrual on the government wide financial statements.

J. Compensated Absences

The County's personnel policy permits employees to accumulate earned but unused vacation and sick pay benefits. The County's sick pay policy does not provide for payment of 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. 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.

L. Fund Equity

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

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

- *Nonspendable* - Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- *Restricted* - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- *Committed* - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. Only the County Commission may modify or rescind the commitment.
- *Assigned* - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through policy, authorization to assign fund balance remains with the Board.
- *Unassigned* - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Fund Equity (continued)

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

Net Assets - Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Property Taxes, Fire Fees and Solid Waste Charge

The Sumter County Tax Commissioner bills and collects tax for the County as well as for the State of Georgia, and the Sumter County Board of Education. County fire fees and solid waste assessments are also billed annually on the property tax bills. The County property tax was levied on July 19, 2011. Bills were payable on or before December 1, 2011. Liens for delinquent 2011 property taxes, including fire fees and solid waste fees (FiFa's) were filed on May 11, 2012.

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from these estimates.

NOTE 2. PRIOR PERIOD ADJUSTMENTS

Capital Assets and Accumulated Depreciation: Corrections were made to record previously omitted buildings, and remove equipment which had been retired; and to adjust related accumulated depreciation. Accumulated depreciation on infrastructure was increased. The net effect of these adjustments was to increase governmental activities capital assets at the beginning of the fiscal year by $437,164. See note 6, below.

Landfill Postclosure Care Costs: The estimated liability for the post-closure care costs was corrected in order to more accurately report its share of the liability for estimated future costs. This change resulted in a reduction of $373,250 in the reported estimated liability at the beginning of the fiscal year. See Note 7, below.

The total of these corrections, $810,414, has been reported on the government-wide Statement of Activities as a change in governmental activities net assets, beginning of the year.

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) for all funds. 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 21, 2011, or as amended by the Board of Commissioners.

All appropriations, except for items encumbered at year end, lapse. Encumbrances for items not lapsing at year end are re-appropriated in the ensuing year's budget. Budget information for expenditures and encumbrances represents the operating budget as approved by the Board of Commissioners. There were no encumbrances as of June 30, 2012.

B. Excess Expenditures over Appropriations

For the year ended June 30, 2012, expenditures exceeded budget in the General Fund and the Fire Fund, as follows:

General Fund	
Department	Excess
Juvenile Court	$ 31,605
Public Defense	53,173

Fire Fund	
Department	Excess
County Fire Department	$29,091

The over-expenditures in the General Fund were funded by under-expenditures in other departments. The over-expenditure in the Fire Fund was funded by collection of interfund receivable from the SPLOST 2007 Fund and loans from the General Fund. For future years the commissioners will emphasize cost controls.

NOTE 4. CASH AND INVESTMENTS

Credit risk. The risk that an issuer or other counterparty to an investment will not fulfill its obligations. Sumter County's investment policy includes investigating the creditworthiness of the financial institutions holding their deposits and of the custodian of collateral, and having uninsured deposits collateralized.

Interest rate risk. The risk that changes in interest rates will adversely affect the fair value of an investment. The objectives of the County's investment policy include safety, liquidity and return on investment. To achieve the objective of adequate liquidity within County's portfolio, the County shall attempt to match investment maturities with anticipated cash flow requirements. Unless matched to a specific cash flow, the maximum maturity of any instrument in the County's portfolio may not exceed two years from the date of acquisition by the County. The maturity of non-negotiable time deposits may not exceed one year.

The County had no investments as of June 30, 2012.

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, 2012, all of the County's bank balances were either insured by FDIC coverage or collateralized by the bank pledging its securities in the County's name, in accordance with GASB pronouncements and Georgia State law.

NOTE 5. RECEIVABLES

Receivables at June 30, 2012, for the County's individual major and nonmajor funds in the aggregate are as follows:

	General	Fire Fund	Solid Waste Management	Nonmajor and Other Funds	Total
Receivables:					
Taxes	$ 838,518	$ 176,820	$ -	$ -	$ 1,015,338
Notes	-	-	-	6,887	6,887
Accounts	108,004	-	151,782	-	259,786
Gross receivables	946,522	176,820	151,782	6,887	1,282,011
Less: allowance for uncollectibles	(273,732)	(24,931)	(39,420)	-	(338,083)
Net Receivables	$ 672,790	$ 151,889	$ 112,362	$ 6,887	$ 943,928

General and Fire Funds taxes receivable includes only the County's portion of real and personal property taxes for years 1995 through 2011 which were unpaid at June 30, 2012. Taxes collected during the year ended June 30, 2012, and collected by August 31, 2012, are recognized as revenues in the year ended June 30, 2012. Net receivables estimated to be collected subsequent to August 31, 2012, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 862,468	$ -	$ -	$ -	$ 862,468
Construction in progress	9,860,049	990,295	-	(1,804,481)	9,045,863
Total capital assets, not being depreciated	10,722,517	990,295	-	(1,804,481)	9,908,331
Capital assets, being depreciated					
Site improvements	488,113	-	-	-	488,113
Buildings	35,168,852	-	(942,062)	1,563,838	36,783,028
Prior period adjustment	992,400				
Equipment	9,273,009	-	(154,571)	240,643	9,322,221
Prior period adjustment	(36,860)				
Infrastructure	48,276,074	-	-	-	48,276,074
Total capital assets, being depreciated	94,161,588	-	(1,096,633)	1,804,481	94,869,436
Less accumulated depreciation for:					
Site improvements	48,431	12,335	-	-	60,766
Buildings	5,882,892	697,802	(942,062)	-	5,673,366
Prior period adjustment	34,734				
Equipment	7,187,372	907,471	(142,150)	-	7,915,285
Prior period adjustment	(37,408)				
Infrastructure	19,816,370	1,019,130	-	-	21,356,550
Prior period adjustment	521,050				
Total accumulated depreciation	33,453,441	2,636,738	(1,084,212)	-	35,005,967
Total capital assets, being depreciated, net	60,708,147	(2,636,738)	(12,421)	1,804,481	59,863,469
Governmental activities capital assets, net	$ 71,430,664	$ (1,646,443)	$ (12,421)	$ -	$ 69,771,800

Prior period adjustments were required to increase buildings by $992,400 for the Americus/Sumter Exposition Center which was acquired by gift in 2009; depreciation through June 30, 2011 on it was $34,734. Equipment was reduced by $36,860 for items which had been retired in prior years and accumulated depreciation was reduced by $37,408 to correct errors in calculation. Accumulated depreciation on infrastructure was increased by $521,050 to correct errors in calculation in prior years. The net effect of the adjustments was $437,164.

NOTE 6. CAPITAL ASSETS (continued)

A. Primary Government

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

Governmental activities:	
General government	$ 355,886
Judicial	517
Public safety	943,375
Public works	1,167,357
Culture & recreation	135,865
Housing & development	33,738
Total depreciation expense – governmental activities	$ 2,636,738

B. Discretely Presented Component Unit – Department of Public Health

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated				
Machinery & equipment	$ 30,989	$ -	-	$ 30,989
Total capital assets, being depreciated	30,989	-	-	30,989
Less accumulated depreciation for:				
Machinery & equipment	23,684	735	-	24,419
Total accumulated depreciation	23,684	735	-	24,419
Total capital assets, net	$ 7,305	$ (735)	-	$ 6,570

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 & equipment	214,930	7,400	-	222,330
Total capital assets, being depreciated	697,184	7,400	-	704,584
Less accumulated depreciation for:				
Buildings	461,132	8,608	-	469,740
Machinery & equipment	192,832	4,202	-	197,034
Total accumulated depreciation	653,964	12,810	-	666,774
Total capital assets, being depreciated, net	43,220	(5,410)	-	37,810
Total capital assets, net	$ 43,820	$ (5,410)	$ -	$ 38,410

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital leases	$ 8,792,544	$ -	$ (1,977,807)	$ 6,814,737	$ 1,441,609
Notes payable	903,643	-	(817,470)	86,173	86,173
Compensated absences	329,134	363,253	(337,588)	354,799	329,963
Landfill postclosure care costs	721,900	-	(13,455)	335,195	13,455
Less: prior period adjustment	(373,250)				
Net pension obligation	17,894	6,133	-	24,027	-
Governmental activities long-term liabilities	$ 10,391,865	$ 369,386	$ (3,146,320)	$ 7,614,931	$ 1,871,200

The County corrected its estimated liability for landfill post-closure care costs by applying its percentage share (25.46%, based on a 2001 agreement between the cities and the County) to the estimated costs of the post-closure costs reported annually by the independent engineer contracted by the County to monitor the landfill. This change resulted in a reduction of $373,250 in the reported estimated liability in the prior year from $721,900 to $348,650.

Component Unit – Health Department:					
Compensated absences	$ 92,975	$ 9,877	$ (23,089)	$ 79,763	$ 23,089

For governmental activities, compensated absences, landfill postclosure care costs, and net pension obligation are liquidated by the General Fund. For the Component Unit – Health Department, the liability is anticipated to be paid with operating revenues.

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of vehicles and fire equipment. 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 $10,150,065 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, 2012:

Year Ending June 30,	
2013	$ 1,674,287
2014	1,674,289
2015	1,674,295
2016	893,012
2017	459,741
2018-2022	1,196,405
Total minimum lease payments	7,572,029
Less amount representing interest	757,292
Present value of future minimum lease payments	$ 6,814,737

NOTE 7. LONG-TERM DEBT (continued)

Notes Payable (continued)
The County has also incurred the following debt to a local bank for various construction projects:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
5.10%	10 years	2013	$ 750,000	$ 86,173

This note was paid in full on December 14, 2012.

Landfill postclosure costs. Effective May 1995, the Sumter County Landfill was closed and no additional waste has been accepted. In compliance with 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, 2012, the County has a remaining 13 years of monitoring. Engineering studies estimate postclosure costs of approximately $1,316,550 over the 13-year period. These costs are based on what it would cost to perform all postclosure care in 2012, 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.

The County and the cities of Sumter County agreed in 2001 to share the costs of the postclosure costs based on their respective usages over the life of the landfill. The County's percentage of the obligation is 25.46%. The County estimates that its share of the estimated postclosure costs for the 13 year period would be $335,195.

NOTE 8. TAX ANTICIPATION NOTE PAYABLE

On February 15, 2011, the County issued a $5,000,000 tax anticipation note with an interest rate of 3.20%. The County drew down $3,000,000 before June 30, 2011, and $1,000,000 each in July and August, 2011, the note was repaid on December 29, 2011. Activity for the tax anticipation note payable (short-term liability) for the year ended June 30, 2012, was as follows:

Balance, June 30, 2011	Additions	Reductions	Balance, June 30, 2012
$ 3,000,000	$ 2,000,000	$ 5,000,000	$ -

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund receivables and payables as of June 30, 2012, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Fire Fund	$ 125,789

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.

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

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Fire Fund	$ 26,260
General Fund	Solid Waste Fund	25,000
		$ 51,260

Transfers from the Fire Fund and Solid Waste Fund to the General were for administrative services provided by the General Fund.

NOTE 10. FUND BALANCE

At June 30, 2012, fund balance consists of the following classifications as described in Note 1.L. :

	General Fund	Fire Fund	2007 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCES					
Nonspendable					
Inventories	$ 22,740	$ -	$ -	$ -	$ 22,740
Non-Current Loans Receivable	-	-	-	6,887	6,887
	22,740	-	-	6,887	29,627
Restricted for:					
Judicial:					
Victim & witness assistance	-	-	-	33,512	33,512
Law Library	-	-	-	48,846	48,846
Public Safety					
Sheriff Operations (forfeiture funds)	-	-	-	40,446	40,446
Drug treatment & education	-	-	-	48,417	48,417
Housing & Development:					
Business loans	-	-	-	60,907	60,907
Capital Projects	-	-	2,007,531	90,848	2,098,379
	-	-	2,007,531	322,976	2,330,507
Committed for:					
Public Safety					
Correctional Institute inmates	-	-	-	74,134	74,134
Jail inmates	-	-	-	15,304	15,304
Grant matching	-	15,480	-	-	15,480
	-	15,480	-	89,438	104,918
Assigned for:					
Capital projects	-	-	-	79,436	79,436
Unassigned	1,572,783	(162,799)	-	-	1,409,984
Total Fund Balances	$ 1,595,523	$ (147,319)	$2,007,531	$ 498,737	$3,954,472

NOTE 11. 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. In addition to the County employee's matching pension plan, a Resolution was adopted in November, 2011, to also have a separate Defined Contribution Program for Senior Management. This plan is exclusively for the County administrator position and the matching rate is 7-1/2%. The resolution excludes Senior Management from participation in the Defined Benefit Plan. The County's contribution for each employee is 100% vested after five (5) years of continuous service. For the year ending June 30, 2012, the County's contribution to the Plan was $72,143. The amount contributed by employees was $209,212.

NOTE 12. DEFINED BENEFIT PENSION PLAN

Primary Government

Plan Description

The County sponsors 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 GEBCorp, 400 Galleria Parkway, Suite 1250, 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 or permitted to contribute to the plan. The County meets all costs of the plan.

NOTE 12. DEFINED BENEFIT PENSION PLAN (continued)

Primary Government (continued)

Annual Pension Cost

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

	2012	2011
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 262,646	$ 261,754
Interest on Net Pension Obligation	1,862	1,387
Amortization of Net Pension Obligation	(1,992)	(1,484)
Annual Pension Cost	$ 262,516	$ 261,657
Derivation of Net Pension Obligation		
Annual Pension Cost for Prior Year	$ 261,657	$ 239,807
Actual Contributions to Plan for Prior Year	255,523	239,905
Increase (Decrease) in Net Pension Obligation	6,134	(98)
Net Pension Obligation as of Beginning of Prior Year	17,893	17,991
Net Pension Obligation as of Beginning of the Year	$ 24,027	$ 17,893

Basis of Valuation	
Current Valuation Date	January 1, 2012
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	3.5 - 6% based on age
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	22

Trend Information for The Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/12	$ 262,516	$ N/A	N/A	$ N/A
1/1/11	261,657	255,523	98%	24,027
1/1/10	239,807	239,905	100	17,893
1/1/09	221,693	221,791	100	17,991
1/1/08	194,358	107,234	55	18,089
1/1/07	155,513	170,317	110	(69,035)

As of the most recent valuation date, January 1, 2012, 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	Accrued Liability as a Percentage of Covered Payroll
12/31/2011	$ 1,298,607	$ 2,156,636	$ 858,029	60.2%	$ 5,417,032	15.8%

NOTE 12. DEFINED BENEFIT PENSION PLAN (continued)

Primary Government (continued)

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year 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, 2012.

NOTE 13. RETIREMENT PLAN

Component Unit – Department of Public Health

Retirement Plan – The employees of the Health Department participate in the Georgia State Employees Retirement System, a multi-employer, defined contribution plan. The Plan is administered by the State of Georgia, and accumulated benefits and Plan assets are not determined or allocated to the individual participating governmental entities. The Georgia State Employees Retirement System requires ten years of continuous service to become fully vested. The total retirement contributions to the Georgia State Employees Retirement System for the year ended June 30, 2012, were $58,409 based on qualifying salaries of $522,917. Ten year historical trend information and relevant actuarial information may be obtained from the Employees Retirement System of Georgia.

Component Unit – Livestock Authority

Deferred Compensation Plan – The Livestock Authority offers a deferred compensation (defined contribution) plan to its employees. In order for an employee to participate in this program he/she must have a minimum gross salary paid by the Sumter County Livestock Authority of five dollars ($5.00). If the employee is eligible, and elects to participate in this program, the Sumter County Livestock Authority will contribute 3% of the employee's gross salary and the employee can contribute up to 25% of his/her gross salary.

NOTE 14. 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. To cover these risks, the County participates in the Association of County Commissioners of Georgia - Interlocal Risk Management Agency (ACCG-IRMA), and the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund (ACCG-GSIWCF), public entity risk pools currently operating as common risk management and insurance programs for member local governments.

NOTE 14. RISK MANAGEMENT (continued)

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.

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 15. COMMITMENTS AND CONTINGENCIES

Litigation:

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

Grant Contingencies:

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

Commitment to Intergovernmental Contract:

In 2009 the Board of Commissioners obligated itself to pay the sum of $272,208 in five annual installments of $54,441.60 plus interest at 3.5% per annum to the Americus-Sumter County Payroll Development Authority. The agreement was negotiated to allow the PDA to provide an incentive for a major national retail company to build a store in Americus. At June 30, 2012, the balance remaining on the commitment was $108,884 which is payable in two annual installments, on December 15, 2012 and 2013.

NOTE 16. JOINT VENTURES

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Sumter County is a member of the following:

River Valley Regional Commission

Under Georgia law, the County, in conjunction with other cities and counties in the 16-county west central Georgia area, is a member of the River Valley Regional Commission and is required to pay annual dues thereto. During the year ended June 30, 2012, the County paid $14,143 in such dues. Membership in the River Valley Regional Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia. The Regional Commission 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 commission. Separate financial statements may be obtained from: River Valley Regional Commission, 228 West Lamar Street, Americus, Georgia 31709.

Americus/Sumter County Airport Authority

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 $37,000 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.

Middle Flint Regional E-911 Authority

The Middle Flint Regional E-911 Authority (the "E-911 Authority) is comprised of eight board members; two appointed by the County and the remaining six appointed by the other representative counties. The County allocated to the E-911 Authority $90,042 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 E-911 Authority. The E-911 Authority was established to provide emergency communications services to Dooly, Macon, Marion, Schley, Sumter, Taylor and Webster counties. Separate financial statements may be obtained from: Middle Flint Regional E-911 Authority, 222 Hayes Avenue, Ellaville, GA 31806.

NOTE 17. RELATED ORGANIZATIONS

The county's officials are also responsible for appointing the members to the following boards of other organizations, but the county's accountability for these organizations does not extend beyond making the appointments: The Americus Sumter County Payroll Development Authority, the Sumter County Development Authority, the Schley-Sumter-Macon Joint Development Authority, and the Crisp-Sumter Joint Development Authority.

NOTE 18. SUBSEQUENT EVENTS

In September, 2012, the County signed a lease-purchase agreement for $610,005 to provide funding for a County-wide early warning siren system and two-way radio system. Funding for the project will also come from a FEMA/GEMA grant for $544,323. The grant requires a local match of $93,702.

REQUIRED SUPPLEMENTARY INFORMATION

SUMTER COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012

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	Accrued Liability as a Percentage of Covered Payroll
12/31/2011	$ 1,298,607	$ 2,156,636	$ 858,029	60.2%	$ 5,417,032	15.8%
12/31/2010	1,045,084	1,856,190	811,106	56.3	5,187,103	15.6
12/31/2009	797,789	1,602,402	804,613	49.8	5,180,103	15.5
12/31/2008	591,074	1,297,448	706,374	45.6	4,866,202	14.5

The assumptions used in the preparation of this schedule are disclosed in Note 12 in the Notes to the Financial Statements.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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.

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.

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.

2010 CDBG — Housing Rehabilitation Fund is used to account for the receipt of grant funds for use in the housing rehabilitation project in accordance with grant specifications.

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.

Capital Projects Funds

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.

Capital Improvements Fund accounts 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, 2012

	Special Revenue									Capital Projects		
	Sheriffs Forfeiture Recovery	2007 CHIP-Housing Rehab Loan	CDBG - Business Loan Recovery	Victim and Witness Assistance	Law Library	2010 CDBG Housing Rehabilitation	Drug Abuse Treatment and Education	Correctional Institute Commissary	Jail Commissary	2004 SPLOST	Capital Improvements	Total
ASSETS												
Cash and cash equivalents	$ 40,446	$ -	$ 60,907	$ 28,719	$ 48,738	$ 2,364	$ 47,882	$ 89,853	$ 15,304	$ 90,848	$ 72,075	$ 497,136
Notes receivable	-	-	6,887	-	-	-	-	-	-	-	-	6,887
Due from other governments	-	-	-	5,746	108	-	535	-	-	-	8,461	14,850
Total assets	$ 40,446	$ -	$ 67,794	$ 34,465	$ 48,846	$ 2,364	$ 48,417	$ 89,853	$ 15,304	$ 90,848	$ 80,536	$ 518,873
LIABILITIES AND FUND BALANCES												
LIABILITIES												
Accounts payable	$ -	$ -	$ -	$ 953	$ -	$ -	$ -	$ 15,719	$ -	$ -	$ 1,100	$ 17,772
Deferred revenue	-	-	-	-	-	2,364	-	-	-	-	-	2,364
Total liabilities	-	-	-	953	-	2,364	-	15,719	-	-	1,100	20,136
FUND BALANCES (DEFICIT)												
Nonspendable for:												
Noncurrent loans receivable	-	-	6,887	-	-	-	-	-	-	-	-	6,887
Restricted for:												
Judicial	-	-	-	33,512	48,846	-	-	-	-	-	-	82,358
Public safety	40,446	-	-	-	-	-	48,417	-	-	-	-	88,863
Housing and development	-	-	60,907	-	-	-	-	-	-	-	-	60,907
Capital projects	-	-	-	-	-	-	-	-	-	90,848	-	90,848
Committed for:												
Public safety	-	-	-	-	-	-	-	74,134	15,304	-	-	89,438
Assigned	-	-	-	-	-	-	-	-	-	-	79,436	79,436
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	40,446	-	67,794	33,512	48,846	-	48,417	74,134	15,304	90,848	79,436	498,737
Total liabilities and fund balances	$ 40,446	$ -	$ 67,794	$ 34,465	$ 48,846	$ 2,364	$ 48,417	$ 89,853	$ 15,304	$ 90,848	$ 80,536	$ 518,873

SUMTER COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue									Capital Projects		
	Sheriffs Forfeiture Recovery	2007 CHIP-Housing Rehab Loan	CDBG - Business Loan Recovery	Victim and Witness Assistance	Law Library	2010 CDBG Housing Rehabilitation	Drug Abuse Treatment and Education	Correctional Institute Commissary	Jail Commissary	2004 SPLOST	Capital Improvements	Total
Revenues:												
Intergovernmental	$ -	$ -	$ -	$ 98,695	$ -	$ 67,169	$ -	$ -	$ -	$ -	$ 666,140	$ 832,004
Charges for service	-	-	-	-	2,905	-	-	-	-	-	-	2,905
Fines and forfeitures	31,810	-	-	89,678	11,348	-	14,668	-	-	-	-	147,504
Interest income	13	-	97	-	22	-	-	-	7	3	-	142
Other revenues	-	-	-	-	-	-	-	204,648	102,823	-	-	307,471
Total revenues	$ 31,823	$ -	$ 97	$ 188,373	$ 14,275	$ 67,169	$ 14,668	$ 204,648	$ 102,830	$ 3	$ 666,140	$ 1,290,026
Expenditures:												
Current:												
Judicial	-	-	-	216,013	18,072	-	-	-	-	-	-	234,085
Public safety	10,076	-	-	-	-	-	10,529	193,434	103,859	-	-	317,898
Housing and development	-	228	-	-	-	67,169	-	-	-	-	60,158	127,555
Capital outlay	-	-	-	-	-	-	-	-	-	(5,898)	286,289	280,391
Total expenditures	10,076	228	-	216,013	18,072	67,169	10,529	193,434	103,859	(5,898)	346,447	959,929
Excess (deficiency) of revenues over (under) expenditures	21,747	(228)	97	(27,640)	(3,797)	-	4,139	11,214	(1,029)	5,901	319,693	330,097
Net change in fund balances	21,747	(228)	97	(27,640)	(3,797)	-	4,139	11,214	(1,029)	5,901	319,693	330,097
Fund balances, beginning of year	18,699	228	67,697	61,152	52,643	-	44,278	62,920	16,333	84,947	(240,257)	168,640
Fund balances (deficit), end of year	$ 40,446	$ -	$ 67,794	$ 33,512	$ 48,846	$ -	$ 48,417	$ 74,134	$ 15,304	$ 90,848	$ 79,436	$ 498,737

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
2004 SPLOST
FOR THE YEAR ENDED JUNE 30, 2012

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Recreation facilities and equipment	$ 1,989,826	$ 1,975,991	$ 1,974,756	$ -	$ 1,974,756
Public safety equipment, vehicles, and facilities	2,018,352	1,152,266	1,007,270	-	1,007,270
Water and drainage infrastructure improvements	345,000	220,000	206,615	(8,219)	198,396
Construction of county courthouse and administrative buildings	13,500,000	16,085,890	15,892,125	-	15,892,125
Library facilities and resources	174,333	174,333	174,332	-	174,332
Agricultural related administrative facilities	1,412,638	1,412,638	1,405,438	-	1,405,438
Cultural facilities and historical preservation	172,225	172,216	115,192	2,321	117,513
Renovation of senior center	40,000	40,000	37,592	-	37,592
Projects for the following cities:					
Andersonville	300,000	307,423	307,423	-	307,423
Desoto	58,786	58,786	33,908	-	33,908
Leslie	138,840	138,840	138,840	-	138,840
Plains	100,000	73,437	73,438	-	73,438
Road, street, and bridge improvements	1,750,000	188,180	107,484	-	107,484
	$ 22,000,000	$ 22,000,000	$ 21,474,413	$ (5,898)	$ 21,468,515

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
2007 SPLOST
FOR THE YEAR ENDED JUNE 30, 2012

	Estimated Cost		Expenditures		
Project	Original	Current	Prior Years	Current Year	Total
Humane Society facilities and equipment	$ 300,000	$ 300,000	$ 294,028	$ -	$ 294,028
Recreation facilities	1,530,000	1,530,000	1,611,388	-	1,611,388
Judicial complex facility improvements	1,000,000	1,000,000	999,802	43	999,845
Vehicle replacement plan	750,000	750,000	484,455	175,465	659,920
Fire service equipment and facilities	250,000	250,000	803,298	212,898	1,016,196
Public works heavy equipment	450,000	450,000	432,284	-	432,284
Public works infrastructure	6,000,000	5,000,000	201,003	10,382	211,385
Georgia State Patrol facility	1,900,000	1,900,000	1,538,699	25,138	1,563,837
Human services center	2,000,000	3,000,000	5,574,955	392,824	5,967,779
Jail/correctional institute renovation	2,000,000	2,000,000	1,131,706	72,086	1,203,792
Library facilities and resources	250,000	250,000	12,886	2,583	15,469
Library drainage remediation	100,000	100,000	3,500	-	3,500
Hospital construction	3,000,000	3,000,000	40,486	40	40,526
Projects for the following cities:					
Americus	4,307,288	4,307,288	1,246,110	-	1,246,110
Andersonville	359,000	359,000	242,500	98	242,598
Desoto	310,000	310,000	311,529	-	311,529
Leslie	551,000	551,000	422,328	7,359	429,687
Plains	342,712	342,712	267,289	-	267,289
Interest and project management	-	-	826,110	220,922	1,047,032
	$ 25,400,000	$ 25,400,000	$ 16,444,356	$ 1,119,838	$ 17,564,194
Repayment of principal on debt. Proceeds included in projects above.				2,414,514	
Total 2007 SPLOST Fund expenditures				$ 3,534,352	

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 SWJC 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 Southwestern Judicial Circuit.

Juvenile Court SWJC Fund - This fund is used to account for the receipt of the appropriations for the Juvenile Court made by the counties belonging to the Southwestern Judicial Circuit and the transfer of those funds to the Circuit.

Public Defender SWJC Fund - This fund is used to account for the receipt of the appropriations for the Public Defender's Office made by the counties belonging to the Southwestern Judicial Circuit and the transfer of those funds to the Circuit.

District Attorney SWJC Fund - This fund is used to account for the receipt of the appropriations for the District Attorney's Office made by the counties belonging to the Southwestern Judicial Circuit and the transfer of those funds to the Circuit.

SUMTER COUNTY, GEORGIA

COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 2012

ASSETS	Tax Commissioner	Clerk of Courts	Probate Court	Magistrate Court	Sheriff	Jail Inmate Fund	Correctional Institute Inmate Fund	ADR SWJC Fund	Juvenile Court SWJC Fund	Public Defender SWJC Fund	District Attorney SWJC Fund	Total
Cash	$ 5,773	$ 65,629	$ 631	$ 14,523	$ 192,634	$ 19,431	$ 16,833	$ 119,281	$ -	$ -	$ -	$ 434,735
Taxes receivable	1,264,610	-	-	-	-	-	-	-	-	-	-	1,264,610
Due from other governments	-	-	-	-	-	-	-	-	30,083	97,376	7,690	135,149
Total assets	$ 1,270,383	$ 65,629	$ 631	$ 14,523	$ 192,634	$ 19,431	$ 16,833	$ 119,281	$ 30,083	$ 97,376	$ 7,690	$ 1,834,494
LIABILITIES												
Due to others	$ 1,270,383	$ 65,629	$ 631	$ 14,523	$ 192,634	$ 19,431	$ 16,833	$ 119,281	$ 30,083	$ 97,376	$ 7,690	$ 1,834,494

COMPLIANCE SECTION

CHAMBLISS, SHEPPARD, ROLAND & BAXTER, LLP

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 ("the County") as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 15, 2013. As discussed in Note 2, the County corrected its liability for landfill postclosure care costs, and corrected capital assets for previously omitted buildings and equipment. Our report includes a reference to 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. Other auditors audited the financial statements of the Sumter County Department of Public Health and Sumter County Livestock Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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.

CERTIFIED PUBLIC ACCOUNTANTS
Ross M. Chambliss, Jr. William H. Sheppard
Donald R. Roland Cary S. Baxter
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GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items 2012-1 through 2012-3, and 2012-5 through 2012-7 that we consider to be significant deficiencies in internal control over financial reporting. 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.

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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2012-4.

We also noted certain additional matters that we reported to the management of Sumter County, Georgia in a separate letter dated February 15, 2013.

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

Chambliss Sheppard Roland & Baxter LLP

Americus, Georgia
February 15, 2013

CHAMBLISS, SHEPPARD, ROLAND & BAXTER, LLP

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

Board of Commissioners of Sumter County, Georgia
Americus, Georgia

Compliance

We have audited Sumter County, Georgia's compliance with the types of compliance requirements described in OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Sumter County, Georgia's major federal programs for the year ended June 30, 2012. Sumter County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Sumter County, Georgia's management. Our responsibility is to express an opinion on Sumter County, Georgia's compliance based on our audit.

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

In our opinion, Sumter County, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

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

Chamblee Sheppard Roland Baxter LLP

Americus, Georgia
February 15, 2013

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Federal Agency/ Pass-through Entity/Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures
U.S. Department of Justice :			
Passed-Through Council of Juvenile Court Judges of Georgia:			
Juvenile Accountability Block Grants	16.523	JB-08-ST-002	$ 532
Juvenile Accountability Block Grants	16.523	JB-09ST-0004	9,854
			10,386
JAG Program Cluster:			
Passed-Through Office of the Governor Criminal Justice Coordinating Council:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/Grants to States and Territories	16.803	B82-8-253	17,435
Edward Byrne Memorial Justice Assistance Grant Program - DA VWAP	16.738	2010-VA-GX-0073	55,618
Edward Byrne Memorial Justice Assistance Grant Program - DA VWAP	16.738	2011-VA-GX-0073	43,077
			116,130
Total U.S. Department of Justice			126,516
Federal Aviation Administration			
Passed-Through Georgia Department of Transportation:			
Airport improvement Program	20.106	APO12-9019-24(261)Sumter	167,485
Total Federal Aviation Administration			167,485
U.S. Department of Housing and Urban Development:			
Passed-Through Department of Community Affairs			
CDBG - State-Administered CDBG Cluster:			
Community Development Block Grant	14.228	D8P-Y-129-1-5070	193,781
Community Development Block Grant	14.228	10H-Y-129-1-5235	67,169
Total U.S. Department of Housing and Urban Development			260,950
U.S. Department of Homeland Security			
Direct Award			
Pre-Disaster Mitigation	97.047	17PDMC03014261	9,960
Hazard Mitigation Grant Program - GSP	97.039	HMGP 1686-0049	176,639
Total U.S. Department of Homeland Security			186,599
Total Expenditures of Federal Awards			$ 741,550

Note: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

SUMTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section I—Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued .....*unqualified*

Internal control over financial reporting:

- Material weakness(es) identified?____ yes _X_no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?_X_ yes ___none reported

Noncompliance material to financial statements noted? _X_ yes ___no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?____ yes _X_no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?____ yes _X_none reported

Type of auditor's report issued on compliance for major programs.....*unqualified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?____ yes _X_no

Identification of major programs:

CFDA Number	Name of Federal Program
20.106	Airport Improvement Program
16.803	ARRA – Edward Byrne Memorial Justice Assistance Grant
	CDBG – State Administered CDBG Cluster – Passed-Through the Georgia Department of Community Affairs:
14.228	Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs: $ 300,000

Auditee qualified as low-risk auditee? ____ yes _X_no

SUMTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Section II—Financial Statement Findings:

2012 - 1. Incomplete Revenue Information

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: Revenues were omitted from the financial statements of the Fire Fund, SPLOST 2004 Fund, Capital Improvements Fund and nonmajor governmental funds as of and for the year ended June 30, 2012. Receivables were understated in the Fire Fund and the Capital Improvements Fund, and were overstated in the General Fund and the SPLOST 2004 Fund. Cash was understated in the SPLOST 2004 Fund.

Cause: Inconsistent implementation of the policy and procedure for recording revenues and cash receipts.

Effect: General Fund: Taxes Receivable was overstated by $17,119, Deferred Revenue was understated by $17,942, and Tax Revenue was understated by $823.
Fire Fund: Fees Receivable was understated by $151,888, Deferred Revenue was understated by $139,714, and Fees Revenue was understated by $12,174.
Capital Improvement Fund: Intergovernmental Receivables were understated by $8,461, and Revenue was understated by the same amount.
Nonmajor Governmental Funds: Cash was understated by $20,749, Revenue was understated by $31,823, and Expenditures were understated by $11,074.
SPLOST 2004 Fund: Cash was understated by $56,953, Intergovernmental Receivables were overstated by $48,734, and revenue was understated by $8,219.

Recommendation: Continue to improve the closing process to insure that transactions are processed and recorded accurately.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The adjustments proposed in the finding have been made to the June 30, 2012 financial statements. We will continue to improve our process for recognizing and recording all necessary receivable and revenue adjustments as appropriate.

2012 - 2. Solid Waste Fund Receivables

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

Condition: Revenues were omitted from the financial statements because year-end receivables were not recorded in the Solid Waste Fund.

Section II—Financial Statement Findings (continued):

2012 - 2. Solid Waste Fund Receivables (continued)

Cause: Inconsistent implementation of the policy and procedure for recording revenues and cash receipts.

Effect: Accounts receivable and revenues in the amount of $112,362 were omitted from the Solid Waste Fund as of June 30, 2012.

Recommendation: Continue to improve the closing process to insure that transactions are processed and recorded accurately, 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. The adjustments proposed in the finding have been made to the June 30, 2012 financial statements. We continue to improve our process for recording revenues and receivables when billed and earned and reconciling the ledgers to the reports provided by the Tax Commissioner.

2012 - 3. 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.

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.

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

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 continue to review their respective systems and evaluate the cost effectiveness of their operations. The County Finance Director will continue to provide oversight and technical advice.

Section II—Financial Statement Findings (continued):

2012 - 4. County Jail Fund

Criteria: Monies collected pursuant to the Jail Construction and Staffing Act are by Georgia Law required to be paid over to the governing authority and shall be deposited by the governing authority into a special account to be known as the "county jail fund" (O.C.G.A. 15-21-93).

Condition: "County Jail Fund" has not been established.

Cause: County management determined that a separate fund was not required.

Effect: The additional penalty equal to 10 percent of the original fine has been recorded by the County as General Government unassigned revenue.

Recommendation: The County should establish a separate "county jail fund" and deposit all fine "additional penalties" paid into that fund.

Views of Responsible Officials and Planned Corrective Action: Our accounting system has the funds separately identified in the General Fund. Costs for constructing, operating and staffing of the county jail and the correctional institute are also accounted for and reported in the General Fund. We feel that our accounting and reporting is in compliance with the State law.

2012 - 5. Capital Assets and Depreciation

Criteria: County should maintain a schedule of capital assets and record depreciation as appropriate.

Condition: Schedule of capital assets and depreciation is incomplete.

Cause: Management oversight.

Effect: Capital assets were omitted from the schedule resulting in asset cost understated by $955,540 and accumulated depreciation was understated by $518,376.

Recommendation: County should review the schedule of capital assets and depreciation for completeness and consistency to insure that the capitalization policies and procedures are followed.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will insure that the schedule of assets and depreciation is reviewed at least annually for completeness and accuracy.

SUMTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Section II—Financial Statement Findings (continued):

2012 - 6. Budget Amendments

Criteria: Budgets should be amended as needed.

Condition: Intergovernmental revenue was overstated in the General Fund and understated in the Fire Fund.

Cause: Management oversight.

Effect: Intergovernmental revenue from the Georgia Department of Corrections for inmate services as firefighters was budgeted as an interfund transfer from the General Fund to the Fire Fund.

Recommendation: County should review budgeted interfund transfers and make amendments as necessary to accurately report transactions.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will review transfers for reasonableness to insure that transactions are reported accurately.

2012 - 7. Intergovernmental Contract

Criteria: All intergovernmental contracts should be recorded.

Condition: Intergovernmental contract between the City of Americus and the Payroll Development Authority was not disclosed in the notes to the financial statements.

Cause: Management considered the payments under the arrangement to be an operating expenditure.

Effect: Commitments were understated by $108,883 at year end.

Recommendation: County should disclose the liability as a commitment in the notes to the financial statements.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We have disclosed the contract liability in the June 30, 2012 notes to the financial statements. We will disclose the contract in future financial statements.

Section II—Federal Awards Findings and Questioned Costs:

None reported.

SUMTER COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

20111 - 1. Incomplete Revenue Information

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, 2011.

Auditee Response/Status: Unresolved. This is included in current finding number 2012-1.

2011 - 2. 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.

Auditee Response/Status: Unresolved. This is included in current finding number 2012-2.

2011 - 3. Segregation of Duties

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

Condition: Appropriate segregation of duties does not exist among 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.

Auditee Response/Status: Unresolved. This is included in current finding number 2012-3.

CHAMBLISS, SHEPPARD, ROLAND & BAXTER, LLP

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 Form about Sumter County, Georgia's compliance during the year ended June 30, 2012, 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. 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, 2012, 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.

Chambliss Sheppard Roland & Baxter LLP

Americus, Georgia
February 15, 2013

CERTIFIED PUBLIC ACCOUNTANTS
Ross M. Chambliss, Jr. William H. Sheppard
Donald R. Roland Cary S. Baxter
Patricia H. Webb William D. Krenson, Jr.
James R. Roland

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MEMBERS: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, PCPS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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	07/23/02
F	Grant Amount	$14,503.00

		COLUMN 1 **Current Year Activity** For the Year Ended: 6/30/2012	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: 6/30/2012
G			
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$5,014.00	
I	Grant Receipts or Revenue Recognized	$0.00	$14,503.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$5,014.00	$14,503.00
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]	$0.00	$0.00

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 2/15/2013

Signature of Chief Financial Officer _____ Date 2/15/2013