SUMTER COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2014

SUMTER COUNTY, GEORGIA

Annual Financial Report
For the Year Ended June 30, 2014

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FINANCIAL SECTION

CHAMBLISS, SHEPPARD, ROLAND
& ASSOCIATES, 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 (the "County"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Sumter County, Georgia's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sumter County Department of Public Health or the Sumter County Livestock Authority, which statements reflect total assets of $535,972 and $228,323, respectively, as of June 30, 2014, and total revenues of $1,016,704 and $224,664, 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 from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumter County, Georgia as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and Fire Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 11) and the Schedules of Funding Progress and Schedule of Employer Contributions (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.

Other Information

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

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opin-

ion, the combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of federal awards and the schedule of expenditures of special purpose local option sales tax proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 31, 2014 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* in considering Sumter County, Georgia's internal control over financial reporting and compliance.

Chamblis, Sheppard, Roland & Associates, LLP

Americus, Georgia
December 31, 2014

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, 2014.

Financial Highlights

- The assets of the *Primary Government* (explained below) exceeded its liabilities at June 30, 2014, by $72.98 million (Net Position). Of this amount, $4.54 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Primary Government's total net position increased by $2.07 million for the year.
- Included in net position of the Primary Government is an investment of $63.10 million in net investment in capital assets.
- The County's General Fund unassigned fund balance increased by $621 thousand to $3.65 million, this equates to 20.48% of total General Fund expenditures and transfers.
- Fund balances of $4.92 million of the Capital Improvements, SPLOST 2007, T-SPLOST, Fire Fund, and Other Governmental Funds brings the County's combined ending fund balance to $8.60 million at the end of the year. This represents an increase from the previous fiscal year in the amount of $1.77 million, or approximately 25.84%.
- The County acquired new capital leases of $479,312 and paid principal on capital leases and notes payable of $1,722,867 and interest of $209,902.

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. All governmental and business-type activities are consolidated in these financial statements to arrive at a total for the *Primary Government*. The government-wide financial statements (presented on pages 12 and 13) are designed to provide readers with a broad overview of Sumter County's finances, in a manner similar to a private-sector business. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal period. All changes in net position 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, 2012 CDBG Housing Rehabilitation, 2010 CDBG Housing Rehabilitation, CDBG—Business Loan Recovery,Drug Abuse Treatment and Education, Sheriff Forfeiture Recovery Fund, Sheriff's Discretionary Fund, Correctional Institute Commissary, and Jail Commissary); and Capital Projects (2004 SPLOST, 2007 SPLOST, T-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, 2007 SPLOST, and T-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 position may serve over time as a useful indicator of a government's financial position.

A large portion of the County's net position, 87.87%, 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 Position
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Current and other assets	$ 8.65	$ 11.08	$ 1.05	$ 1.26	$ 9.70	$ 12.34
Capital assets	69.55	68.22	-	-	69.55	68.22
Total Assets	78.20	79.30	1.05	1.26	79.25	80.56
Long-term liabilities outstanding	5.08	3.63	-	-	5.08	3.63
Other liabilities	3.17	3.86	.09	.09	3.26	3.95
Total liabilities	8.25	7.49	.09	.09	8.34	7.58
Net position:						
Net invested in capital assets	63.19	63.10	-	-	63.19	63.10
Restricted	3.36	5.34	-	-	3.36	5.34
Unrestricted	3.40	3.37	.96	1.17	4.36	4.54
Total net position	$ 69.95	$ 71.81	$ .96	$ 1.17	$ 70.91	$ 72.98

The following table summarizes the changes in net position for the primary government for the fiscal years ended June 30, 2014 and 2013:

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

	Governmental Activities		Business-type Activities		Total Activities	
	2013	2014	2013	2014	2013	2014
Revenues						
Program revenues:						
Charges for Services	$ 6.86	$ 6.49	$ 1.30	$ 1.30	$ 8.16	$ 7.79
Operating grants & contributions	.13	.06	-	-	.13	.06
Capital grants & contributions	1.90	1.02	-	-	1.90	1.02
General Revenues						
Property taxes	9.12	10.37	-	-	9.12	10.37
Other taxes	7.63	7.45	-	-	7.63	7.45
Investment income	-	.01	-	-	-	.01
Late payment penalties & fees	-	-	-	-	-	-
Gain on sale of capital assets	.01	-	-	-	.01	-
Total Revenues	25.65	25.40	1.30	1.30	26.95	26.70
Expenses						
General Government	3.18	3.60	-	-	3.18	3.60
Judicial	1.89	2.02	-	-	1.89	2.02
Public safety	11.27	11.10	-	-	11.27	11.10
Public works	3.96	4.53	-	-	3.96	4.53
Health & welfare	.39	.38	-	-	.39	.38
Recreation	.89	.89	-	-	.89	.89
Housing & development	.60	.86	-	-	.60	.86
Interest on long-term debt	.24	.19	-	-	.24	.19
Solid waste	-	-	1.06	1.06	1.06	1.06
Total expenses	22.42	23.57	1.06	1.06	23.48	24.63
Increase (decrease) in net position before transfers	3.23	1.83	.24	.24	3.47	2.07
Transfers	.02	.03	(.02)	(.03)	-	-
Change in net position	3.25	1.86	.22	.21	3.47	2.07
Net position, beginning of year	66.70	69.95	.74	.96	67.44	70.91
Net position, end of year	$ 69.95	$ 71.81	$ .96	$ 1.17	$ 70.91	$ 72.98

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 and is used to account for all governmental financial resources not restricted by State or Federal laws, local ordinances or other externally imposed requirements. At the end of the current fiscal year total assets were $6.77 million, total liabilities and deferred inflows were $3.09 million, unassigned fund balance was $3.65 million, and the total fund balance which includes nonspendable inventory was $3.68 million. Total revenues and other sources for the fiscal year were $17.64 million, which exceeded expenditures and other uses of $17.01 million by $624,778.

Financial Analysis of the Government's Funds (continued)

General Fund revenues came in $53,326 short of the final amended budget. Property taxes ($10.27 million) plus sales and other taxes comprised 70.75% of the General Fund's revenue and other sources for the year. Expenditures and other uses for the year were 95% of the final amended budget. The General Fund transferred $410,230 to the SPLOST 2007 fund to reimburse it for interest on capital leases, not approved by the referendum.

Fire Fund

Financial position and operating results of the County-wide fire department is accounted for in the Fire Fund. Fire fees which are billed with the property tax bills generated $1.11 million for the year. Total revenue was $1.79 million which exceeded the budget by 8.2% and included insurance premium tax of $656,828 and other revenues of $25,483. Total expenditures of $1.45 million were 5.21% less than budgeted. At the end of the current fiscal year the fund balance was $224,189, an increase of $345,223 for the year. The Fire Fund is restricted for public safety.

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. For the current fiscal year, expenditures were $3.21 million; revenues were $3.81 million; and transfer in from the General Fund was $410,230. Fund balance at the end of the current fiscal year was $3.31 million, an increase of $1.01 million for the year.

T-SPLOST

The passage of the Transportation Improvement Act in the River Valley Region produced the County $796,987 from the special 1% sales tax. Fund expenditures totaled $942,920 which included purchase of road equipment by lease/purchase. Fund balance at June 30, 2014 is $705,767, an increase of $333,379 for the year.

Non-Major Governmental Funds

This is a summary of non-major special revenue funds and non-major capital projects funds. Special revenues are derived from the Law Library, fines and forfeitures, CDBG grants, Jail and Correctional Institute commissary funds, accounts for major capital acquisitions not funded through SPLOST or T-SPLOST. The non-major capital projects fund includes the Capital Projects Fund and the 2004 SPLOST Fund. Non-major governmental fund revenues for the year were $1,255,568, which includes Local Maintenance and Improvement Grant (LMIG) funds of $463,912. Non-major governmental fund expenditures for the year were $1,802,052 which included $293,675 for the completion of the County-wide early warning siren system, and road work using LMIG for $387,971. Fund balance at June 30, 2014 is $678,881, a decrease of $546,484.

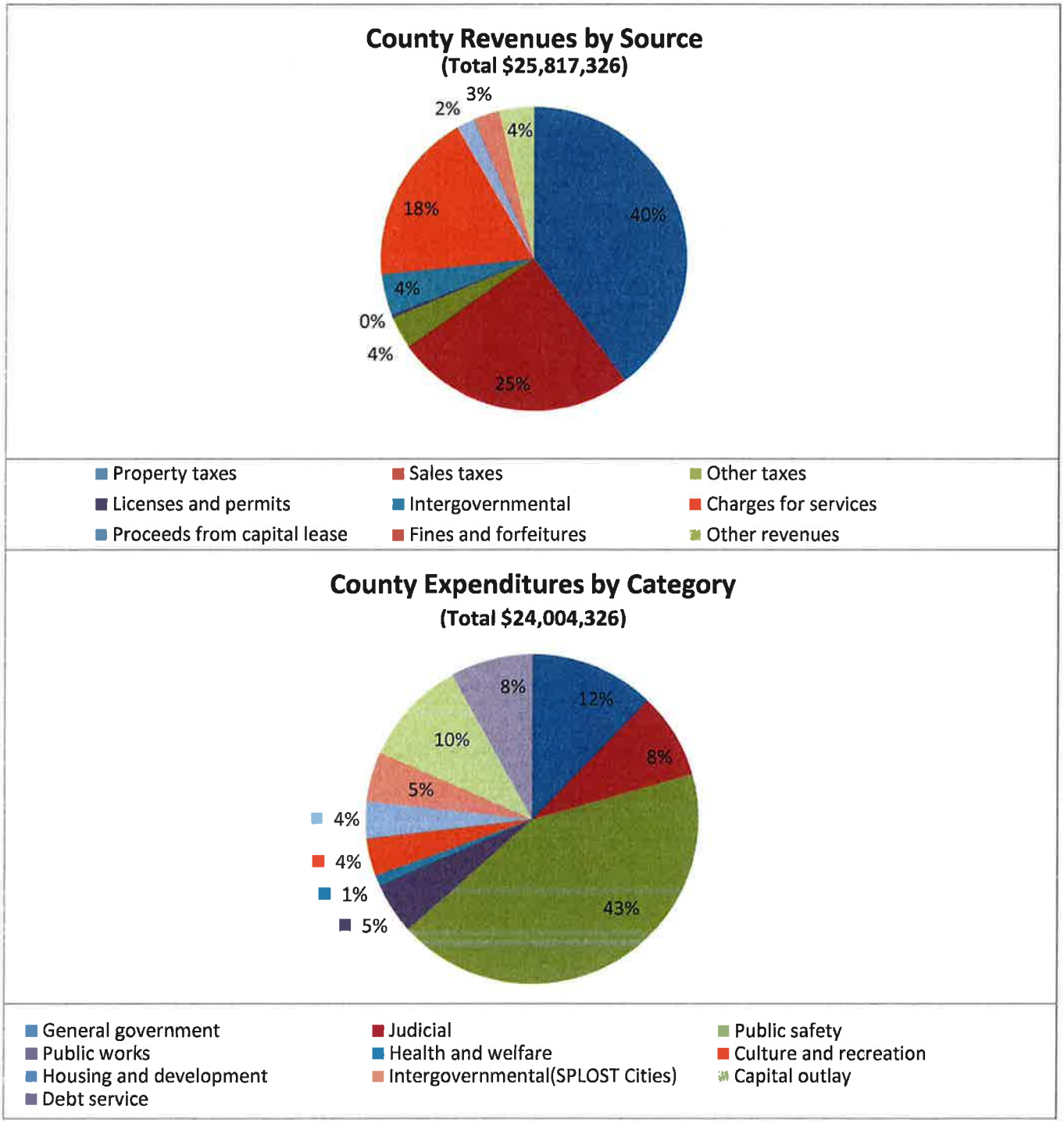
Proprietary fund. Sumter County's proprietary fund provides that same type of information found in the government-wide financial statements, but in more detail. The County's only proprietary fund is the Solid Waste Management Fund.

Solid Waste Management

Solid Waste fees are billed to property owners on their tax bills, and generated $1.30 million of revenue. The County contracts with the Solid Waste Management Company of Crisp County for household garbage pickup and disposal. At the end of the current fiscal period, net position for the Solid Waste fund was $1.17, an increase of $212,155.

Governmental Funds Revenues and Expenditures

The following charts depict the percentage that the various categories of revenues and expenditures contribute to the total for the year ended June 30, 2014.



Capital Asset and Debt Administration

Capital assets. Sumter County's investment in capital assets for its governmental activities as of June 30, 2014, amounts to $68,219,632 (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
	2013	2014	2013-2014
Land	$ 924,068	$ 969,868	4.96%
Construction in progress	2,120,859	1,721,011	(18.85)
Buildings and improvements	39,008,079	38,105,912	(2.31)
Machinery and equipment	1,296,428	2,254,556	73.91
Infrastructure	26,202,766	25,168,285	(3.95)
Total	$ 69,552,200	$ 68,219,632	(1.92)

Major additions for the year included the completion of the County-wide early warning siren system for $531,291, and the narrow bandwidth communication system for $390,299; equipment for the Road Department for $678,361; vehicles for the Sheriff's Department for $44,756; and two acres of land for $45,800. Funds for these acquisitions were from the following sources: T-SPLOST, $129,977; SPLOST, $45,800; General Fund, $34,000; Grant from FEMA/GEMA, $457,222; Capital leases, $1,023,508. Additional information on the County's capital assets can be found in Note 5 of this report.

Long-term Debt. Sumter County's long-term debt for the period ended June 30, 2014, is summarized below.

	Beginning Balance	Additions	Reductions	Ending Balance	
Governmental Activities:					
Capital leases	$ 6,357,462	$ 479,312	$ (1,722,867)	$ 5,113,907	$ 1,835,479
Compensated absences	319,663	362,710	(315,807)	366,566	366,566
Landfill postclosure care costs	388,772	-	(63,070)	325,702	11,678
Net pension obligation	31,102	5,888	-	36,990	-
Governmental activities long-term liabilities	$ 7,096,999	$ 847,910	$ (2,101,744)	$ 5,843,165	$ 2,213,723

The County negotiated new capital leases of $479,312 for the purchase of equipment for public works.

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 $325,702 over an estimated 15 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 6 of this report for additional information regarding the County's long-term debt.

Economic Factors and Next Year's Budgets

The County is impacted by the same economic conditions impacting the State of Georgia and the nation as a whole. Agriculture is the primary driver of the county's economy. Management and the Board of Commissioners follow conservative spending policies and expect little improvement in the property tax base. Economic conditions were taken into account in developing the County's 2014 budget. Some of the issues impacting the County's future are:

- The county labor force has continued to decline.
- The economic down turn and closing of small businesses and employment layoffs.
- Sumter County is blessed to be the home of Georgia Southwestern State University and South Georgia Technical College, however, economic growth is hindered due to education levels that lag far behind those of the state and nation; and an undereducated workforce that in general is unprepared for skilled and higher - paying jobs.
- Tax revenues from T-SPLOST will be used for capital investment and development in transportation and related sectors of the local economy.
- Reduced household spending resulting in lower sales tax collections.
- State of Georgia budgetary constraints, shifting operating costs to the County (i.e., Tax collection costs).
- Increase in healthcare costs affecting the County's health care plan.
- The percentage of all people in the County with incomes lower than the poverty level for calendar year 2012 was 28.9%.
- The County-wide fire department continues to improve equipment and service. Allocation of the insurance premium tax to revenue, and continued cost controls will enable rates to remain stable. The County fire department has four manned and 18 unmanned fire stations which are staffed by 17 full-time and 13 part-time career firefighters, 14 inmate firefighters, and 48 volunteers.

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 POSITION
JUNE 30, 2014

	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	$ 8,483,514	$ 1,061,230	$ 9,544,744	$ 530,868	$ 142,110
Sales taxes receivable	564,534	-	564,534	-	-
Property taxes receivable	933,784	-	933,784	-	-
Accounts receivable, net of allowances	60,280	181,995	242,275	-	63,110
Notes receivable	1,449	-	1,449	-	-
Due from other governments	1,015,435	23,558	1,038,993	-	-
Inventories	26,546	-	26,546	-	-
Capital assets, non-depreciable	2,690,879	-	2,690,879	-	600
Capital assets, depreciable, net of accumulated depreciation	65,528,753	-	65,528,753	5,104	22,503
Total assets	79,305,174	1,266,783	80,571,957	535,972	228,323
LIABILITIES					
Accounts payable	958,267	92,798	1,051,065	-	17,869
Accrued liabilities	428,758	-	428,758	-	-
Funds held for the Airport Authority	67,795	-	67,795	-	-
Unclaimed funds	193,836	-	193,836	-	-
Capital leases due within one year	1,835,479	-	1,835,479	-	-
Capital leases due in more than one year	3,278,428	-	3,278,428	-	-
Compensated absences due within one year	366,566	-	366,566	25,727	-
Compensated absences due in more than one year	-	-	-	52,355	-
Landfill postclosure costs due within one year	11,678	-	11,678	-	-
Landfill postclosure costs due in more than one year	314,024	-	314,024	-	-
Net pension obligation due in more than one year	36,990	-	36,990	-	-
Total liabilities	7,491,821	92,798	7,584,619	78,082	17,869
NET POSITION					
Net investment in capital assets	63,105,725	-	63,105,725	5,104	23,103
Restricted for:					
Judicial	49,395	-	49,395	-	-
Public safety	658,587	-	658,587	-	-
Housing and development	70,992	-	70,992	-	-
Capital projects	4,561,277	-	4,561,277	-	-
Other purposes	-	-	-	138,090	-
Unrestricted	3,367,377	1,173,985	4,541,362	314,696	187,351
Total net position	$ 71,813,353	$ 1,173,985	$ 72,987,338	$ 457,890	$ 210,454

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

SUMTER COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

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 Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Units: Sumter County Department of Public Health	Component Units: Sumter County Livestock Authority
Primary government:									
Governmental activities:									
General government	$ 3,595,929	$ 919,776	$ 2,500	$ -	$ (2,673,653)	$ -	$ (2,673,653)	$ -	$ -
Judicial	2,018,003	884,457	47,358	-	(1,086,188)	-	(1,086,188)	-	-
Public safety	11,105,330	4,370,266	15,543	24,226	(6,695,295)	-	(6,695,295)	-	-
Public works	4,531,445	77,790	-	548,571	(3,905,084)	-	(3,905,084)	-	-
Health and welfare	378,893	-	-	-	(378,893)	-	(378,893)	-	-
Recreation	890,045	180,287	-	-	(709,758)	-	(709,758)	-	-
Housing and development	866,201	57,591	-	449,775	(358,835)	-	(358,835)	-	-
Interest on long-term debt	190,659	-	-	-	(190,659)	-	(190,659)	-	-
Total governmental activities	23,576,505	6,490,167	65,401	1,022,572	(15,998,365)	-	(15,998,365)	-	-
Business-type activities:									
Solid waste management	1,063,999	1,299,385	-	-	-	235,386	$ 235,386	-	-
Total business-type activities	1,063,999	1,299,385	-	-	-	235,386	235,386	-	-
Total primary government	$ 24,640,504	$ 7,789,552	$ 65,401	$ 1,022,572	$ (15,998,365)	$ 235,386	$ (15,762,979)	$ -	$ -
Component units:									-
Sumter County Department of Public Health	$ 949,133	$ 377,019	$ 392,770	$ -	$ -	$ -	$ -	$ (179,344)	$ -
Sumter County Livestock Authority	217,478	224,664	-	-	-	-	-	-	7,186
Total component units	$ 1,166,611	$ 601,683	$ 392,770	$ -	$ -	$ -	$ -	$ (179,344)	$ 7,186
General revenues:									
Property taxes					10,374,015	-	10,374,015	-	-
Sales taxes					6,559,958	-	6,559,958	-	-
Insurance premium taxes					656,828	-	656,828	-	-
Other taxes					234,017	-	234,017	-	-
Allotment from Sumter County government					-	-	-	244,522	-
Late payment penalties and fees					-	1,769	1,769	-	-
Unrestricted investment earnings					1,717	-	1,717	2,393	-
Gain on sale of capital assets					998	-	998	-	-
Transfers					25,000	(25,000)	-	-	-
Total general revenues and transfers					17,852,533	(23,231)	17,829,302	246,915	-
Change in net position					1,854,168	212,155	2,066,323	67,571	7,186
Net position, beginning of year					69,959,185	961,830	70,921,015	390,319	203,268
Net position, end of year					$ 71,813,353	$ 1,173,985	$ 72,987,338	$ 457,890	$ 210,454

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

SUMTER COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General	Sumter County Fire	2007 SPLOST	Transportation Special 1% Sales Tax Fund	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	$ 4,885,979	$ 89,064	$ 2,049,086	$ 713,507	$ 745,878	$ 8,483,514
Sales taxes receivable	168,688	-	328,827	67,019	-	564,534
Property taxes receivable, net of allowance for uncollectible	708,528	225,256	-	-	-	933,784
Notes receivable	-	-	-	-	1,449	1,449
Accounts receivable	60,280	-	-	-	-	60,280
Due from other governments	422,289	-	-	-	593,146	1,015,435
Due from other funds	500,215	169,199	1,135,369	-	-	1,804,783
Inventories	26,546	-	-	-	-	26,546
Total assets	$ 6,772,525	$ 483,519	$ 3,513,282	$ 780,526	$ 1,340,473	$ 12,890,325
LIABILITIES						
Accounts payable	$ 702,462	$ 27,262	$ 28,163	$ 1,919	$ 198,461	958,267
Accrued liabilities	348,920	22,646	-	1,818	-	373,384
Due to other funds	1,101,431	-	169,199	71,022	463,131	1,804,783
Grant funds held for Airport Authority	67,795	-	-	-	-	67,795
Unclaimed funds	193,836	-	-	-	-	193,836
Total liabilities	2,414,444	49,908	197,362	74,759	661,592	3,398,065
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - Property tax	678,218	209,422	-	-	-	887,640
Total deferred inflows of resources	678,218	209,422	-	-	-	887,640
FUND BALANCES						
Nonspendable	26,546	-	-	-	1,449	27,995
Restricted	-	224,189	3,315,920	705,767	278,565	4,524,441
Committed	-	-	-	-	111,888	111,888
Assigned	-	-	-	-	494,500	494,500
Unassigned	3,653,317	-	-	-	(207,521)	3,445,796
Total fund balances	3,679,863	224,189	3,315,920	705,767	678,881	8,604,620
Total liabilities, deferred inflows of resources and fund balances	$ 6,772,525	$ 483,519	$ 3,513,282	$ 780,526	$ 1,340,473	

Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in the government activities are not financial resources and, therefore, are not reported in the funds.		68,219,632
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Taxes	$ 678,218	
Public Safety	209,422	887,640
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable	$ (55,374)	
Capital leases	(5,113,907)	
Landfill postclosure costs	(325,702)	
Compensated absences	(366,566)	(5,861,549)
Net pension obligation used in governmental activities is not a financial resource and, therefore is not reported in the funds.		(36,990)
Net position of governmental activities		$ 71,813,353

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, 2014

	General	Sumter County Fire	2007 SPLOST	Transportation Special 1% Sales Tax Fund	Other Governmental Funds	Total
Revenues:						
Property taxes	$ 10,266,122	$ -	$ -	$ -	$ -	$ 10,266,122
Sales taxes	1,954,024	-	3,808,947	796,987	-	6,559,958
Other taxes	234,017	656,828	-	-	-	890,845
Licenses and permits	91,153	-	-	-	-	91,153
Intergovernmental	18,043	-	-	-	1,068,874	1,086,917
Charges for services	3,603,481	1,109,830	-	-	3,250	4,716,561
Fines and forfeitures	615,904	-	-	-	115,992	731,896
Interest	1,497	-	1,049	-	227	2,773
Other revenues	819,066	25,483	-	-	67,225	911,774
Total revenues	17,603,307	1,792,141	3,809,996	796,987	1,255,568	25,257,999
Expenditures:						
Current						
General government	2,924,688	-	-	-	25	2,924,713
Judicial	1,861,255	-	-	-	149,148	2,010,403
Public safety	9,143,608	1,057,499	-	-	66,068	10,267,175
Public works	1,173,992	-	200	39,256	200	1,213,648
Health and welfare	259,465	-	-	-	-	259,465
Culture and recreation	875,442	-	-	-	6,185	881,627
Housing and development	353,465	-	-	-	503,325	856,790
Intergovernmental	-	-	1,173,546	-	-	1,173,546
Capital outlay	-	23,859	727,662	777,114	945,172	2,473,807
Debt service:						
Principal	-	321,412	1,172,031	113,755	115,668	1,722,866
Interest	-	44,148	136,698	12,795	16,261	209,902
Total expenditures	16,591,915	1,446,918	3,210,137	942,920	1,802,052	23,993,942
Excess (deficiency) of revenues over (under) expenditures	1,011,392	345,223	599,859	(145,933)	(546,484)	1,264,057
Other financing sources (uses):						
Proceeds from sale of assets	8,700	-	-	-	-	8,700
Proceeds from capital lease	-	-	-	479,312	-	479,312
Contingencies	(10,084)	-	-	-	-	(10,084)
Transfers in	25,000	-	410,230	-	-	435,230
Transfers out	(410,230)	-	-	-	-	(410,230)
Total other financing sources (uses)	(386,614)	-	410,230	479,312	-	502,928
Net change in fund balances	624,778	345,223	1,010,089	333,379	(546,484)	1,766,985
Fund balance(deficit), beginning of year	3,055,085	(121,034)	2,305,831	372,388	1,225,365	6,837,635
Fund balance, end of year	$ 3,679,863	$ 224,189	$ 3,315,920	$ 705,767	$ 678,881	$ 8,604,620

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, 2014

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

Net change in fund balances - total governmental funds		$ 1,766,985
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	1,290,659	
Depreciation expense	(2,615,526)	(1,324,867)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(7,702)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Increase in unavailable revenue-property tax	107,893	
Increase in unavailable revenue-fire fees	38,783	146,676
The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the payments made on notes payable and capital leases.		
Principal paid on Capital Leases	1,722,160	
Proceeds from Capital Lease	(479,312)	
Compensated absences	(46,903)	1,195,945
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.		
Net pension obligation	(5,888)	
Landfill postclosure costs	63,070	
Accrued interest	19,949	77,131
Change in net position - governmental activities		$ 1,854,168

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, 2014

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 9,967,757	$ 9,967,757	$ 10,266,122	$ 298,365
Sales taxes	2,240,000	2,240,000	1,954,024	(285,976)
Other taxes	238,300	238,300	234,017	(4,283)
Licenses and permits	82,750	82,750	91,153	8,403
Intergovernmental	22,960	22,960	18,043	(4,917)
Charges for services	3,689,632	3,689,632	3,603,481	(86,151)
Fines and forfeitures	613,300	613,300	615,904	2,604
Interest income	500	500	1,497	997
Miscellaneous	801,434	801,434	819,066	17,632
Total revenues	17,656,633	17,656,633	17,603,307	(53,326)
Expenditures:				
Current:				
General government				
Board of commissioners	82,365	85,531	85,336	195
County clerk	65,665	65,341	63,671	1,670
Administrator	124,929	130,168	129,190	978
Elections	222,848	199,342	164,081	35,261
Financial administration	348,857	339,402	280,251	59,151
Legal	90,954	105,254	104,405	849
Information systems	84,397	76,397	75,511	886
Human resources	101,104	98,779	97,614	1,165
Tax commissioner's office	383,974	369,325	365,370	3,955
Tax assessor's office	474,322	442,659	422,473	20,186
Board of equalization	10,213	8,041	2,113	5,928
Risk management	273,500	273,500	241,664	31,836
Building and grounds	720,213	899,436	874,526	24,910
General administration	29,091	19,091	18,483	608
Total general government	3,012,432	3,112,266	2,924,688	187,578
Judicial:				
Court administration	39,483	38,791	35,604	3,187
Judge of superior court	199,720	136,536	132,857	3,679
Clerk of courts	447,157	439,922	433,700	6,222
District attorney	178,236	178,236	178,236	-
State court	96,798	80,805	70,270	10,535
Magistrate court	365,351	376,675	376,035	640
Probate court	162,586	162,586	157,889	4,697
Juvenile court	76,460	86,460	86,395	65
Grand jury	23,700	19,200	9,650	9,550
Public defense	405,402	405,402	380,619	24,783
Total judicial	1,994,893	1,924,613	1,861,255	63,358

(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, 2014

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Current (Continued)				
Public safety:				
Sheriff's office	$ 3,372,436	$ 3,384,037	$ 3,359,020	$ 25,017
Jail operations	2,536,597	2,617,491	2,604,255	13,236
Correctional institute	2,953,779	2,972,779	2,953,861	18,918
Coroner	50,427	50,427	39,349	11,078
E911	66,504	78,504	78,084	420
Animal control	39,603	39,603	29,419	10,184
Humane society	47,000	47,000	47,000	-
Emergency management	42,088	42,088	32,620	9,468
Total public safety	9,108,434	9,231,929	9,143,608	88,321
Public works:				
Public works department	1,093,398	1,093,595	1,057,399	36,196
Landfill closure/postclosure	192,261	117,073	116,593	480
Total public works	1,285,659	1,210,668	1,173,992	36,676
Health and welfare:				
Public health	243,063	246,063	242,605	3,458
Public welfare	15,000	17,000	16,860	140
Community service	-	4,000	-	4,000
Total health and welfare	258,063	267,063	259,465	7,598
Culture and recreation:				
Recreation	945,527	944,363	759,127	185,236
Libraries	116,315	116,315	116,315	-
Total culture and recreation	1,061,842	1,060,678	875,442	185,236
Housing and development:				
County agent's office	111,334	114,746	113,066	1,680
Forest resources	19,608	19,608	19,608	-
Building inspection	50,731	50,683	49,988	695
Planning and zoning	134,903	135,083	118,366	16,717
Code enforcement	6,350	6,850	6,721	129
Economic Development	10,000	10,000	10,000	-
Airport	35,716	35,716	35,716	-
Total housing and development	368,642	372,686	353,465	19,221
Total expenditures	17,089,965	17,179,903	16,591,915	587,988
Excess of revenues over expenditures	566,668	476,730	1,011,392	534,662

(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, 2014

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Other financing sources (uses):				
Proceeds from sale of assets	50,000	50,000	8,700	(41,300)
Contingencies	(367,867)	(289,264)	(10,084)	279,180
Transfers in	191,429	202,764	25,000	(177,764)
Transfers out	(440,230)	(440,230)	(410,230)	30,000
Total other financing sources (uses)	(566,668)	(476,730)	(386,614)	90,116
Net change in fund balances	-	-	624,778	624,778
Fund balance, beginning of year	3,055,085	3,055,085	3,055,085	-
Fund balance, end of year	$ 3,055,085	$ 3,055,085	$ 3,679,863	$ 624,778

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, 2014

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Insurance premiums tax	$ 600,000	$ 600,000	$ 656,828	$ 56,828
Charges for services	1,055,570	1,055,570	1,109,830	54,260
Other revenues	500	500	25,483	24,983
Total revenues	1,656,070	1,656,070	1,792,141	136,071
Expenditures:				
Current:				
Public safety:				
County fire department	1,142,250	1,130,915	1,057,499	73,416
Capital outlay	30,000	30,000	23,859	6,141
Total public safety	1,172,250	1,160,915	1,081,358	79,557
Debt service:				
Principal	308,059	308,059	321,412	(13,353)
Interest	57,501	57,501	44,148	13,353
Total debt service	365,560	365,560	365,560	-
Total expenditures	1,537,810	1,526,475	1,446,918	79,557
Excess of revenues over expenditures	118,260	129,595	345,223	215,628
Other financing sources (uses):				
Transfers out	(118,260)	(129,595)	-	129,595
Total other financing sources (uses)	(118,260)	(129,595)	-	129,595
Net change in fund balances	-	-	345,223	345,223
Fund balance(deficit), beginning of year	(121,034)	(121,034)	(121,034)	-
Fund balance(deficit), end of year	$ (121,034)	$ (121,034)	$ 224,189	$ 345,223

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

SUMTER COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Major Enterprise Fund Solid Waste Management
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 1,061,230
Accounts receivable, net of allowances	181,995
Due from other governments	23,558
Total current assets	1,266,783
Total assets	1,266,783
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	92,798
Total current liabilities	92,798
Total liabilities	92,798
NET POSITION	
Unrestricted	1,173,985
Total net position	$ 1,173,985

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

SUMTER COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Major Enterprise Fund Solid Waste Management
OPERATING REVENUES	
Charges for services:	
Solid waste collection fees	$ 1,299,385
Late payment penalties and fees	1,769
Total operating revenues	1,301,154
OPERATING EXPENSES	
Contracted services	1,063,999
Total operating expenses	1,063,999
Operating income	237,155
TRANSFERS	
Transfers out	(25,000)
Total transfers	(25,000)
Change in net position	212,155
NET POSITION, beginning of year	961,830
NET POSITION, end of year	$ 1,173,985

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, 2014

	Major Enterprise Fund Solid Waste Management
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 1,271,988
Late payment penalties and fees collected from customers	1,769
Receipts from other governments	-
Payments to suppliers and service providers	(1,060,326)
Net cash provided by operating activities	213,431
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to other funds	(25,000)
Net cash provided by noncapital financing activities	(25,000)
Net increase in cash and cash equivalents	188,431
Cash and cash equivalents:	
Beginning of year	872,799
End of year	$ 1,061,230
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 237,155
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(27,397)
Increase in accounts payable	3,673
Net cash provided by operating activities	$ 213,431

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

SUMTER COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2014

	Agency Funds
ASSETS	
Cash	$ 863,697
Due from other governments	144,499
Total assets	$ 1,008,196
LIABILITIES	
Due to others	1,008,196
Total liabilities	$ 1,008,196

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 units" 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 Position and Statement of Activities for the Health Department are for the year ended June 30, 2014.

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 Position and Statement of Activities for the Authority are for the year ended June 30, 2014.

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 position 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 position 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, except the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. 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** is a special revenue fund to account for the fees billed to property owners and expenditures of operating the County-Wide fire department.

The **2007 Special Purpose Local Option Sales Tax Capital Projects Fund (2007 SPLOST)** is used to account for the revenues and expenditures relating to the 2007 1% Special Purpose Local Option Sales Tax.

The **Transportation Special 1% Sales Tax Fund (T-SPLOST)** is a capital projects fund used to account for the revenues and expenditures relating to the **Transportation Investment Act (TIA)** referendum passed by voters in the River Valley Region. The County will receive a designated allocation of the 1% sales tax over a 10-year period to fund transportation improvements.

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 **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.

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 except capital projects funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgets for SPLOST Capital Project Funds are adopted on a project basis, spanning more than one fiscal year. Annual budgets are adopted for the Capital Improvements and T-SPLOST Capital Projects Funds. Budgetary control (the level at which expenditures may not legally exceed appropriations) is exercised at the department level or by projects. The Board of commissioners 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 position. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statement of net position 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. Inventories consist of supplies and signs used by the public works department.

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 include 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 Outflows / Inflows of Resources

In addition to assets, the statement of net position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that they become available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 position. 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 position."

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Fund Equity (continued)

- *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.

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 Position - Net position represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position are reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position 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 31, 2013, billed on September 13, 2013, and payable on or before December 1, 2013. Liens for delinquent 2013 property taxes, including fire fees and solid waste fees (FiFa's) were filed on May 19, 2014.

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. 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, Fire fund, Capital Improvements 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 25, 2013, or as amended by the Board of Commissioners. The millage rate for 2013 for the unincorporated areas, incorporated areas, and the City of Americus District was set at the July 16, 2013 Board of Commissioners meeting.

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, 2014.

NOTE 3. 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, 2014.

NOTE 3. CASH AND INVESTMENTS

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, 2014, 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 4. RECEIVABLES

Receivables at June 30, 2014, for the County's individual major and nonmajor funds in the aggregate are as follows:

	General	Fire Fund	2007 SPLOST	Transportation Special 1% Sales Tax	Nonmajor and Other Funds	Total
Receivables:						
Property Taxes	$ 1,033,362	$ 257,768	$ -	$ -	$ -	$ 1,291,130
Intergovernmental						
Sales tax	168,688	-	328,827	67,019	-	564,534
Other	422,289	-	-	-	593,146	1,015,435
Notes	-	-	-	-	1,449	1,449
Accounts	60,280	-	-	-	-	60,280
Gross receivables	1,684,619	257,768	328,827	67,019	594,595	2,932,828
Less: allowance for uncollectible	(324,834)	(32,512)	-	-	-	(357,346)
Net Receivables	$ 1,359,785	$ 225,256	$328,827	$ 67,019	$ 594,595	$ 2,575,482

General and Fire Funds taxes receivable includes only the County's portion of real and personal property taxes for years 1995 through 2013 which were unpaid at June 30, 2014. Property taxes collected during the year ended June 30, 2014, and collected by August 31, 2014, are recognized as revenues in the year ended June 30, 2014. Net receivables estimated to be collected subsequent to August 31, 2014, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

Receivables as of year-end for the County's enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	Solid Waste Management
Receivables:	
Property Taxes	$ 222,393
Less: Allowance for Uncollectibles	(40,398)
Net Receivable	$ 181,995

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 924,068	$ 45,800	$ -	$ -	$ 969,868
Construction in progress	2,120,859	521,742	-	(921,590)	1,721,011
Total capital assets, not being depreciated	3,044,927	567,542	-	(921,590)	2,690,879
Capital assets, being depreciated:					
Site improvements	$ 488,113	$ -	$ -	$ -	$ 488,113
Buildings	45,009,459	-	-	-	45,009,459
Equipment	9,575,669	723,117	(51,387)	921,590	11,168,989
Infrastructure	48,587,312	-	-	-	48,587,312
Total capital assets, being depreciated	103,660,553	723,117	(51,387)	921,590	105,253,873
Less accumulated depreciation for:					
Site improvements	73,067	12,315	-	-	85,382
Buildings	6,416,426	889,852	-	-	7,306,278
Equipment	8,279,241	678,878	(43,686)	-	8,914,433
Infrastructure	22,384,546	1,034,481	-	-	23,419,027
Total accumulated depreciation	37,153,280	2,615,526	(43,686)	-	39,725,120
Total capital assets, being depreciated, net	66,507,273	(1,892,409)	(7,701)	921,590	65,528,753
Governmental activities capital assets, net	$ 69,552,200	$ (1,324,867)	$ (7,701)	$ -	$ 68,219,632

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

Governmental activities:	
General government	$ 656,806
Judicial	332
Public safety	690,700
Public works	1,148,260
Culture & recreation	119,428
Housing & development	-
Total depreciation expense – governmental activities	$ 2,615,526

NOTE 5. CAPITAL ASSETS (continued)

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	25,152	733	-	25,885
Total accumulated depreciation	25,152	733	-	25,885
Total capital assets, net	$ 5,837	$ (733)	-	$ 5,104

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	222,330	-	-	222,330
Total capital assets, being depreciated	704,584	-	-	704,584
Less accumulated depreciation for:				
Buildings	477,950	1,002	-	478,952
Machinery & equipment	199,629	3,500	-	203,129
Total accumulated depreciation	677,579	4,502	-	682,081
Total capital assets, being depreciated, net	27,005	(4,502)	-	22,503
Total capital assets, net	$ 27,605	$ (4,502)	$ -	$ 23,103

NOTE 6. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital leases	$ 6,357,462	$ 479,312	$ (1,722,867)	$ 5,113,907	$ 1,835,479
Compensated absences	319,663	362,710	(315,807)	366,566	366,566
Landfill postclosure care costs	388,772	-	(63,070)	325,702	11,678
Net pension obligation	31,102	5,888	-	36,990	-
Governmental activities long-term liabilities	$ 7,096,999	$ 847,910	$ (2,101,744)	$ 5,843,165	$ 2,213,723

NOTE 6. LONG-TERM DEBT (continued)

Component Unit – Health Department:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 68,874	$ 32,839	$ (23,631)	$ 78,082	$ 25,727

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 six lease/purchase agreements as lessee for financing the acquisition of buildings, vehicles, road equipment, early warning siren system, communication equipment, 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. Amortization of assets recorded under capital leases is included with governmental activities depreciation expense. Total cost of assets under capital lease consists of the following:

Buildings	$ 6,337,470
Equipment	5,558,776
Total assets under capital lease	$ 11,896,246

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, 2014:

Year Ending June 30,	
2015	$ 1,993,450
2016	1,212,167
2017	778,896
2018	556,773
2019	326,545
2020-2023	664,669
Total minimum lease payments	5,532,500
Less: amount representing interest	418,593
Present value of future minimum lease payments	$ 5,113,907

Landfill postclosure costs. Effective October 1999, 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, 2014, the County has a remaining 15 years of monitoring. Engineering studies estimate postclosure costs of approximately $1,279,269 over the 15-year period. These costs are based on what it would cost to perform all postclosure care in 2014, 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 15 year period would be $325,702.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund receivables and payables as of June 30, 2014, is as follows:

Receivable Fund	Payable Fund	Amount
Fire Fund	2007 SPLOST	$ 169,199
General Fund	T-SPLOST	37,084
General Fund	Capital Improvement Fund	463,131
2007 SPLOST	General Fund	1,101,431
2007 SPLOST	T-SPLOST	33,938
		$ 1,804,783

These balances resulted from (1) the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, (2) the time lag between the dates that transactions are recorded in the accounting system, (3) the time lag between the dates that payments between funds are made, (4) short-term loans, and (5) to fund capital projects.

Interfund transfers for the year are as follows:

Transfers In	Transfers Out	Amount
General Fund	Solid Waste Fund	$ 25,000
2007 SPLOST	General Fund	410,230
		$ 435,230

Interfund transfers are to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) to provide unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer to from the Solid Waste Fund to the General Fund was for administrative services provided by the General Fund. The transfer from the General Fund to the 2007 SPLOST Fund was to reimburse interest paid on capital leases.

NOTE 8. FUND BALANCE

At June 30, 2014, fund balance consists of the following classifications as described in Note 1.L:

	General Fund	Fire Fund	2007 SPLOST Fund	T-SPLOST Fund	Other Governmental Fund	Total Governmental Funds
FUND BALANCES						
Nonspendable						
Inventories	$ 26,546	$ -	$ -	$ -	$ -	$ 26,546
Non-Current Loans Receivable	-	-	-	-	1,449	1,449
	26,546	-	-	-	1,449	27,995
Restricted for:						
Judicial:						
Law Library	-	-	-	-	49,395	49,395
Public Safety						
Sheriff operations (forfeiture funds)	-	-	-	-	42,373	42,373
Sheriff's discretion	-	-	-	-	1,165	1,165
Drug treatment & education	-	-	-	-	69,550	69,550
Fire protection	-	224,189	-	-	-	224,189
Housing & Development:						
Business loans	-	-	-	-	66,356	66,356
Housing rehabilitation	-	-	-	-	4,636	4,636
Capital Projects	-	-	3,315,920	705,767	45,090	4,066,777
	-	224,189	3,315,920	705,767	278,565	4,524,441
Committed for:						
Public Safety						
Correctional Institute inmates	-	-	-	-	97,844	97,844
Jail inmates	-	-	-	-	14,044	14,044
	-	-	-	-	111,888	111,888
Assigned for:						
Capital projects	-	-	-	-	494,500	494,500

(continued)

NOTE 8. FUND BALANCE (continued)

	General Fund	Fire Fund	2007 SPLOST Fund	T-SPLOST Fund	Other Governmental Fund	Total Governmental Funds
Unassigned	$ 3,653,317	$ -	$ -	$ -	$(207,521)	$ 3,445,796
Total Fund Balances	$ 3,679,863	$ 224,189	$3,315,920	$ 705,767	$ 678,881	$ 8,604,620

The deficit balance in the Victim Witness Assistance fund is due to overspending due to change in grant funding and it will be corrected in the following year by reducing spending.

NOTE 9. 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 (457(b)), 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 ended June 30, 2014, the County's contribution to the plan was $65,948. The amount contributed by employees was $160,752.

NOTE 10. 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.

NOTE 10. DEFINED BENEFIT PENSION PLAN (continued)

Primary Government (continued)

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.

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:

	2014	2013
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 265,865	$ 264,692
Interest on Net Pension Obligation	2,774	2,410
Amortization of Net Pension Obligation	(3,013)	(2,579)
Annual Pension Cost	$ 265,626	$ 264,523
Derivation of Net Pension Obligation		
Annual Pension Cost for Prior Year	$ 264,523	$ 262,516
Actual Contributions to Plan for Prior Year	258,635	255,441
Increase (Decrease) in Net Pension Obligation	5,888	7,075
Net Pension Obligation, Beginning of Year	31,102	24,027
Net Pension Obligation, End of the Year	$ 36,990	$ 31,102

Basis of Valuation	
Current Valuation Date	January 1, 2014
Annual Return on Invested Plan Assets	7.50%
Projected Annual Salary Increases	3.0 – 5.5% 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	10

Trend Information for The Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/14	$ 265,626	$ N/A	N/A	$ N/A
1/1/13	264,523	258,635	98%	36,990
1/1/12	262,516	255,441	97%	31,102
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

NOTE 10. DEFINED BENEFIT PENSION PLAN (continued)

Primary Government (continued)

As of the most recent valuation date, January 1, 2014, 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
12/31/2013	$ 1,904,094	$ 2,678,615	$ 774,521	71.1%	$ 5,127,082	15.1%

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 position 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, 2014.

NOTE 11. 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, 2014, were $83,150 based on qualifying salaries of $459,224. 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 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. 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.

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 13. COMMITMENTS AND CONTINGENCIES

Litigation:

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

Grant Contingencies:

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

NOTE 14. JOINT VENTURES

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:

NOTE 14. JOINT VENTURES (continued)

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, 2014, the County paid $14,091 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 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 $35,716 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 $75,360 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 15. 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 16. SUBSEQUENT EVENT

On November 19, 2014, the County closed on $11,500,000 of General Obligation Sales Tax Bonds. The City of Americus will receive $4,000,000. The County will use the proceeds to pay off existing debt of $3,482,132, and the balance be used to fund SPLOST projects. The debt service payments will come from proceeds of SPLOST which starts January 1, 2015. Interest will be payable semiannually beginning June 1, 2015 through December 1, 2020. Principal will be paid annually on December 1.

REQUIRED SUPPLEMENTARY INFORMATION

Defined benefit pension plan schedule of funding progress:

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Accrued Liability as a Percentage of Covered Payroll
12/31/2013	$ 1,904,094	$ 2,678,615	$ 774,521	71.1%	$ 5,127,082	15.1%
12/31/2012	1,580,456	2,484,389	903,933	63.6%	5,563,299	16.2%
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 10 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.

Sheriff's Discretionary Fund is used to account for receipt of commissions from Social Security Administration, sales of calendars and other special revenues for the Sheriff's Department.

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. The Fund also receives surcharges from the other five counties in the Southwestern Judicial Circuit. The District Attorney manages the expenditures.

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.

2012 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, 2014

	Special Revenue										Capital Projects		
	Sheriffs Forfeiture Recovery	Sheriff's Discretionary Fund	CDBG - Business Loan Recovery	Victim and Witness Assistance	Law Library	2010 CDBG Housing Rehabilitation	2012 CDBG Housing Rehabilitation	Drug Abuse Treatment and Education	Correctional Institute Commissary	Jail Commissary	Capital Improvement	2004 SPLOST	Total
ASSETS													
Cash and cash equivalents	$ 42,373	$ 1,165	$ 66,356	$ 2,369	$ 49,360	$ -	$ 4,636	$ 68,640	$ 113,668	$ 14,044	316,665	$ 66,602	$ 745,878
Notes receivable	-	-	1,449	-	-	-	-	-	-	-		-	1,449
Due from other governments	-	-	-	2,961	35	-	48,415	910	-	-	540,825	-	593,146
Total assets	$ 42,373	$ 1,165	$ 67,805	$ 5,330	$ 49,395	$ -	$ 53,051	$ 69,550	$ 113,668	$ 14,044	$ 857,490	$ 66,602	$ 1,340,473
LIABILITIES AND FUND BALANCES													
LIABILITIES													
Accounts payable	$ -	$ -	$ -	$ 20,178	$ -	$ -	$ 48,415	$ -	$ 15,824	$ -	$ 92,532	$ 21,512	$ 198,461
Due to General Fund	-	-	-	-	-	-	-	-	-	-	463,131	-	463,131
Total liabilities	-	-	-	20,178	-	-	48,415	-	15,824	-	555,663	21,512	661,592
FUND BALANCES (DEFICIT)													
Nonspendable for:													
Noncurrent loans receivable	-	-	1,449	-	-	-	-	-	-	-	-	-	1,449
Restricted for:													
Judicial	-	-	-	-	49,395	-	-	-	-	-	-	-	49,395
Public safety	42,373	1,165	-	-	-	-	-	69,550	-	-	-	-	113,088
Housing and development	-	-	66,356	-	-	-	4,636	-	-	-	-	-	70,992
Capital projects	-	-	-	-	-	-	-	-	-	-	-	45,090	45,090
Committed for:													
Public safety	-	-	-	-	-	-	-	-	97,844	14,044	-	-	111,888
Assigned	-	-	-	-	-	-	-	-	-	-	494,500	-	494,500
Unassigned	-	-	-	(14,848)	-	-	-	-	-	-	(192,673)	-	(207,521)
Total fund balances (deficit)	42,373	1,165	67,805	(14,848)	49,395	-	4,636	69,550	97,844	14,044	301,827	45,090	678,881
Total liabilities and fund balances	$ 42,373	$ 1,165	$ 67,805	$ 5,330	$ 49,395	$ -	$ 53,051	$ 69,550	$ 113,668	$ 14,044	$ 857,490	$ 66,602	$ 1,340,473

SUMTER COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue										Capital Projects		
	Sheriffs Forfeiture Recovery	Sheriff's Discretionary Fund	CDBG - Business Loan Recovery	Victim and Witness Assistance	Law Library	2010 CDBG Housing Rehabilitation	2012 CDBG Housing Rehabilitation	Drug Abuse Treatment and Education	Correctional Institute Commissary	Jail Commissary	Capital Improvement	2004 SPLOST	Total
Revenues:													
Intergovernmental	$ -	$ -	$ -	$ 47,358	$ -	$ 66,000	$ 383,775	$ -	$ -	$ -	$ 571,741	$ -	$ 1,068,874
Charges for service	-	-	-	-	3,250	-	-	-	-	-	-	-	3,250
Fines and forfeitures	21,568	-	-	58,936	12,282	-	-	23,206	-	-	-	-	115,992
Interest income	19	1	-	-	20	-	-	-	-	8	172	7	227
Other revenues	1,264	22,772	-	-	-	-	-	-	26,254	16,935	-	-	67,225
Total revenues	$ 22,851	$ 22,773	$ -	$ 106,294	$ 15,552	$ 66,000	$ 383,775	$ 23,206	$ 26,254	$ 16,943	$ 571,913	$ 7	$ 1,255,568
Expenditures:													
Current:													
General Government	-	-	-	-	-	-	-	-	-	-	-	25	25
Judicial	-	-	-	135,395	13,753	-	-	-	-	-	-	-	149,148
Public safety	22,857	16,248	-	-	-	-	-	10,172	12,316	4,475	-	-	66,068
Public works											200		200
Culture and recreation	-	6,185	-	-	-	-	-	-	-	-	-	-	6,185
Housing and development	-	-	-	-	-	66,624	380,354	-	-	-	56,347	-	503,325
Capital outlay	2,577		-	-	-	-	-	-	-	15,988	884,333	42,274	945,172
Debt service:													
Principal	-	-	-	-	-	-	-	-	-	-	115,668	-	115,668
Interest	-	-	-	-	-	-	-	-	-	-	16,261	-	16,261
Total expenditures	25,434	22,433	-	135,395	13,753	66,624	380,354	10,172	12,316	20,463	1,072,809	42,299	1,802,052
Excess (deficiency) of revenues over (under) expenditures	(2,583)	340	-	(29,101)	1,799	(624)	3,421	13,034	13,938	(3,520)	(500,896)	(42,292)	(546,484)
Other financing sources (uses):													
Transfers in / (out)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	(2,583)	340	-	(29,101)	1,799	(624)	3,421	13,034	13,938	(3,520)	(500,896)	(42,292)	(546,484)
Fund balances, beginning of year	44,956	825	67,805	14,253	47,596	624	1,215	56,516	83,906	17,564	802,723	87,382	1,225,365
Fund balances (deficit), end of year	$ 42,373	$ 1,165	$ 67,805	$ (14,848)	$ 49,395	$ -	$ 4,636	$ 69,550	$ 97,844	$ 14,044	$ 301,827	$ 45,090	$ 678,881

SUMTER COUNTY, GEORGIA

Capital Improvements Fund
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 431,800	$ 431,800	$ 571,741	$ 139,941
Other	30,000	30,000	-	(30,000)
Interest	-	-	172	172
Total revenues	461,800	461,800	571,913	110,113
Expenditures:				
Current:				
Public works	-	-	200	(200)
Housing and development	-	-	56,347	(56,347)
Capital outlay	461,800	461,800	884,333	(422,533)
Debt service:				
Principal	-	-	115,668	(115,668)
Interest	-	-	16,261	(16,261)
Total expenditures	461,800	461,800	1,072,809	(611,009)
Net change in fund balances	-	-	(500,896)	(500,896)
Fund balance, beginning of year	802,723	802,723	802,723	-
Fund balance, end of year	$ 802,723	$ 802,723	$ 301,827	$ (500,896)

NOTE: This capital projects fund is not legally required to have an annual budget, however, for management purposes the Board of Commissioners included revenue for this fund in the budged ordinance.

Expenditures included the following projects:	
Road paving (LMIG)	$ 387,971
Road striping	83,603
Completion of Siren early warning system	294,525
Sheriff vehicles	44,755
Fencing	6,200
Recreation disc golf course	6,065
Payroll Development Authority	56,347
Fire Department supplies	26,141
4 - mowers	35,073
Advertising LMIG	200
Debt service - Siren lease	131,929
	$ 1,072,809

SUMTER COUNTY, GEORGIA

Transportation Special 1% Sales Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Sales tax	$ 876,000	$ 876,000	$ 796,987	$ (79,013)
Total revenues	876,000	876,000	796,987	(79,013)
Expenditures:				
Current:				
Public works	-	-	39,256	(39,256)
Capital outlay	876,000	876,000	777,114	98,886
Debt service:				
Principal	-	-	113,755	(113,755)
Interest	-	-	12,795	(12,795)
Total expenditures	876,000	876,000	942,920	(66,920)
Deficiency of revenues under expenditures	-	-	(145,933)	(145,933)
Other financing sources:				
Proceeds from capital lease	-	-	479,312	479,312
Total other financing sources (uses)	-	-	479,312	479,312
Net change in fund balances	-	-	333,379	333,379
Fund balance, beginning of year	372,388	372,388	372,388	-
Fund balance, end of year	$ 372,388	$ 372,388	$ 705,767	$ 333,379

NOTE: This capital projects fund is not legally required to have an annual budget, however, for management purposes the Board of Commissioners included revenue for this fund in the budged ordinance.

Expenditures included the following projects:	
Salaries, taxes and benefits	$ 22,735
Professional service fees	4,301
Road department expenses	13,371
Road paving	132,737
2014 Chevrolet Silverado	25,689
PT15 Pneumatic tire roller	20,775
Vermeer chipper	29,450
John Deere 5065E Tractor	30,612
Ford F150	23,450
Wheeled excavator	208,912
Backhoe	95,305
Mack dump truck	105,195
Hamm soil compactor	69,900
Payroll Development Authority for airport hangers	33,938
Debt service	126,550
	$ 942,920

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
2004 SPLOST
FOR THE YEAR ENDED JUNE 30, 2014

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	198,465	-	198,465
Construction of county courthouse and administrative buildings	13,500,000	16,085,890	15,893,490	-	15,893,490
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	117,513	42,274	159,787
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	109,524	-	109,524
	$ 22,000,000	$ 22,000,000	$ 21,471,989	$ 42,274	$ 21,514,263

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
2007 SPLOST
FOR THE YEAR ENDED JUNE 30, 2014

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Humane Society facilities and equipment	$ 300,000	$ 300,766	$ 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	1,003,916	999,845	3,929	1,003,774
Vehicle replacement plan	750,000	750,000	778,160	-	778,160
Fire service equipment and facilities	250,000	250,000	1,072,083	48,800	1,120,883
Public works heavy equipment	450,000	485,432	432,284	-	432,284
Public works infrastructure	6,000,000	4,959,886	522,623	446,148	968,771
Georgia State Patrol facility	1,900,000	1,900,000	1,566,491	-	1,566,491
Human Services Center	2,000,000	3,000,000	5,930,268	82	5,930,350
Jail/correctional institute renovation	2,000,000	2,000,000	1,493,796	227,218	1,721,014
Library facilities and resources	250,000	250,000	17,520	1,686	19,206
Library drainage remediation	100,000	100,000	3,500	-	3,500
Hospital construction	3,000,000	3,000,000	40,526	-	40,526
Projects for the following cities:					
Americus	4,307,288	4,307,288	2,956,110	1,170,596	4,126,706
Andersonville	359,000	359,000	242,598	-	242,598
Desoto	310,000	310,000	311,529	-	311,529
Leslie	551,000	551,000	461,445	-	461,445
Plains	342,712	342,712	342,181	2,950	345,131
Interest and project management	-	-	1,225,995	136,697	1,362,692
	$ 25,400,000	$ 25,400,000	$ 20,302,370	$ 2,038,106	$ 22,340,476

Intergovernmental revenue; revenue credited to Human Services Center project.	-
Transfer from the General Fund to reimburse for interest expense.	(410,230)
Repayment of principal on debt; proceeds included in projects above.	1,172,031
Total 2007 SPLOST Fund expenditures.	$ 2,799,907

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. The Circuit Chief Judge manages disbursements of this fund.

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 disbursement of those funds for the purposes of the Circuit Juvenile Court. The Circuit Juvenile Court Judge manages disbursements of this fund.

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 disbursement of those funds for the purposes of the Circuit Public Defender. The Circuit Public Defender manages disbursements of this fund.

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 disbursement of those funds for the purposes of the Circuit District Attorney. The District Attorney manages disbursements of this fund.

SUMTER COUNTY, GEORGIA

COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 2014

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	$ 275,593	$ 46,993	$ 802	$ 20,124	$ 265,203	$ 26,274	$ 6,014	$ 121,810	$ (16,183)	$ 87,231	$ 29,836	$ 863,697
Due from other governments									40,075	78,312	26,112	144,499
Total assets	$ 275,593	$ 46,993	$ 802	$ 20,124	$ 265,203	$ 26,274	$ 6,014	$ 121,810	$ 23,892	$ 165,543	$ 55,948	$ 1,008,196
LIABILITIES												
Due to others	$ 275,593	$ 46,993	$ 802	$ 20,124	$ 265,203	$ 26,274	$ 6,014	$ 121,810	$ 23,892	$ 165,543	$ 55,948	$ 1,008,196

SUMTER COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2014

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												
Balance July 1, 2013	$ 491	$ 85,119	$ 544	$ 12,419	$ 223,041	$ 16,902	$ 10,372	$ 116,270	$ (50,646)	$ (161,830)	$ (260)	$ 252,422
Additions	29,213,470	1,284,033	58,562	512,848	835,970	159,664	213,286	27,535	272,432	778,475	281,230	33,637,505
Deductions	(28,938,368)	(1,322,159)	(58,304)	(505,143)	(793,808)	(150,292)	(217,644)	(21,995)	(237,969)	(529,414)	(251,133)	(33,026,229)
Balance June 30, 2014	275,593	46,993	802	20,124	265,203	26,274	6,014	121,810	(16,183)	87,231	29,837	863,698
Due from other governments												
Balance July 1, 2013	-	-	-	-	-	-	-	-	77,300	169,780	5,371	252,451
Additions	-	-	-	-	-	-	-	-	44,890	78,625	26,611	150,126
Deductions	-	-	-	-	-	-	-	-	(82,115)	(170,093)	(5,871)	(258,079)
Balance June 30, 2014	-	-	-	-	-	-	-	-	40,075	78,312	26,111	144,498
Total assets												
Balance July 1, 2013	491	85,119	544	12,419	223,041	16,902	10,372	116,270	26,654	7,950	5,111	504,873
Additions	29,213,470	1,284,033	58,562	512,848	835,970	159,664	213,286	27,535	317,322	857,100	307,841	33,787,631
Deductions	(28,938,368)	(1,322,159)	(58,304)	(505,143)	(793,808)	(150,292)	(217,644)	(21,995)	(320,084)	(699,507)	(257,004)	(33,284,308)
TOTAL ASSETS	$ 275,593	$ 46,993	$ 802	$ 20,124	$ 265,203	$ 26,274	$ 6,014	$ 121,810	$ 23,892	$ 165,543	$ 55,948	$ 1,008,196
LIABILITIES												
Due to county												
Balance July 1, 2013	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additions	10,600,023	629,011	51,825	152,494	309,991	-	-	-	-	-	-	11,743,344
Deductions	(10,600,023)	(629,011)	(51,825)	(152,494)	(309,991)	-	-	-	-	-	-	(11,743,344)
Balance June 30, 2014	-	-	-	-	-	-	-	-	-	-	-	-
Amounts held for others												
Balance July 1, 2013	491	85,119	544	12,419	223,041	16,902	10,372	116,270	$ 26,654	7,950	$ 5,111	504,873
Additions	18,613,447	655,022	6,737	360,354	525,979	159,664	213,286	27,535	70,338	700,306	242,707	21,575,375
Deductions	(18,338,345)	(693,148)	(6,479)	(352,649)	(483,817)	(150,292)	(217,644)	(21,995)	(73,100)	(542,713)	(191,870)	(21,072,052)
Balance June 30, 2014	275,593	46,993	802	20,124	265,203	26,274	6,014	121,810	23,892	165,543	55,948	1,008,196
Total liabilities												
Balance July 1, 2013	491	85,119	544	12,419	223,041	16,902	10,372	116,270	26,654	7,950	5,111	504,873
Additions	29,213,470	1,284,033	58,562	512,848	835,970	159,664	213,286	27,535	70,338	700,306	242,707	33,318,719
Deductions	(28,938,368)	(1,322,159)	(58,304)	(505,143)	(793,808)	(150,292)	(217,644)	(21,995)	(73,100)	(542,713)	(191,870)	(32,815,396)
TOTAL LIABILITIES	$ 275,593	$ 46,993	$ 802	$ 20,124	$ 265,203	$ 26,274	$ 6,014	$ 121,810	$ 23,892	$ 165,543	$ 55,948	$ 1,008,196

COMPLIANCE SECTION

CSR
CHAMBLISS, SHEPPARD, ROLAND
& ASSOCIATES, 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumter County, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Sumter County, Georgia's basic financial statements and have issued our report thereon dated December 31, 2014. 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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying schedule of findings and questioned costs to be material weaknesses: 2014-1.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies: 2014-2 through 2014-4.

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 items 2014-5.

Sumter County, Georgia's Response to Findings

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

Purpose of this Report

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

Chamblin, Sheppard, Roland & Associates, LLP

Americus, Georgia
December 31, 2014

CSR
CHAMBLISS, SHEPPARD, ROLAND
& ASSOCIATES, LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Commissioners of Sumter County, Georgia
Americus, Georgia

Report on Compliance for Each Major Federal Program

We have audited Sumter County, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Sumter County, Georgia's major federal programs for the year ended June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Sumter County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Sumter County, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, Sumter County, Georgia, complied, in all material respects, with the types of 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, 2014.

Report on 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified one deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-6, that we consider to be a significant deficiency.

Sumter County, Georgia's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Sumter County, Georgia's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Chamblless, Sheppard, Roland & Associates, LLP

Americus, Georgia
December 31, 2014

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal Agency/ Pass-through Entity/Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures	Notes
U.S. Department of Justice :				
Passed-Through Office of the Governor Criminal Justice Coordinating Council:				
Edward Byrne Memorial Justice Assistance Grant Program - DA VWAP	16.738	2012-VA-GX-0035	47,358	
Total U.S. Department of Justice			47,358	
U.S. Department of Transportation				
Passed-Through Georgia Department of Transportation:				
Design Hangers and Taxilanes	20.106	AP014-9024-26(261) Sumter	62,651	(1)
Construct Apron Expansion	20.106	APO13-9021-25(261)Sumter	209,855	
Total Federal Aviation Administration			272,506	
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	10H-Y-129-1-5235	66,624	
Community Development Block Grant	14.228	12b-y-129-1-5499	380,354	
Total U.S. Department of Housing and Urban Development			446,978	
U.S. Department of Homeland Security				
Passed-Through Georgia Emergency Management Agency:				
Hazard Mitigation Grant Program - Sirens	97.039	HMGP 1686-0020	22,106	
2012 Performance Partnership Agreement	97.042	OEM12-131	9,960	
C.E.R.T		2011-SS-0081	5,583	
Total U.S. Department of Homeland Security			37,649	
Total Expenditures of Federal Awards			$ 804,491	

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.

(1) Grant funds received included $6,906 for airport land used by GADOT as "local share", not included in Federal Funds Expended above.

SUMTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014

Section I—Summary of Auditor's Results:

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified?_X_ yes ___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)?_X_ yes ___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? _X_ yes ___no

Identification of major programs:

CFDA Number	Name of Federal Program
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, 2014

Section II—Financial Statement Findings:

2014 - 1. Incomplete Bank Reconciliations, and financial reporting

Criteria: Each month as part of the closing routine, bank statement balances should be reconciled to amounts recorded in the general ledger and reported on the financial statements.

Condition: Bank accounts of the General Fund were not reconciled for the year.

Cause: County's accounting policy was not complied with.

Effect: Revenues were not posted to the general ledger and erroneous financial reports were issued. Annual audit was delayed while accounting was completed.

Recommendation: Monthly bank reconciliations should be prepared. Procedures should be in place and followed that provide for the Finance Director's monthly review.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We prepare bank reconciliations on a monthly basis. We are considering opening separate bank accounts for our general, fire, solid waste, special revenue and agency funds for the Southwestern Judicial Circuit.

2014 - 2. 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. We have considered the benefit of adding additional staff for this purpose, and we conclude that the costs would outweigh the benefit. The offices listed continue to review their respective systems and accounting in their offices. The County Finance Director will continue to provide oversight and technical advice.

Section II—Financial Statement Findings (continued):

2014 - 3. 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: Ineffective or lack of oversight by management.

Effect: Capital asset acquisitions for the year were not added and assets disposed of were not removed from the schedule. Depreciation on those assets had not been calculated.

Recommendation: County management should review the schedule of capital assets and depreciation for completeness and consistency to insure that the capitalization policies and procedures are followed. Consider assigning the duty of maintaining the capital asset inventory to the designated county purchasing agent.

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.

2014 - 4. Fiscal Agency Services for Southwestern Judicial Circuit Public Defender, Juvenile Court and District Attorney

Criteria: The County has agreed to provide fiscal agent services in the form of accounting and custodial management for officials of the Southwestern Judicial Circuit. These services include preparing and mailing invoices to Counties in the Circuit for reimbursement of costs of those offices (District Attorney does his own invoicing), receiving revenues, paying bills, record keeping, and financial reporting. Each county should pay its fair share based on population.

Condition: Billings for reimbursements have not been sufficient to cover costs and the County has used its general revenues to make-up the difference.

Cause: Inaccurate accumulation of costs or misunderstanding of criteria.

Effect: Costs have exceeded revenues such that June 30, 2014, cash balance in the Juvenile Court is overdrawn by $36,537.

Recommendation: The Finance Manager should review the invoicing procedures and computations to insure that costs are recovered. Invoices should be reviewed for accuracy prior to mailing.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will review our procedures for billing, and insure that the Counties in in the Circuit are billed for their share of the reimbursable costs.

Section II—Financial Statement Findings (continued):

2014 - 5. 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.

Section III—Federal Awards Findings and Questioned Costs:

Finding

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

2014-6. Community Development Block Grant – CFDA NO. 14.228
Grant No. 12b-y-129-1-5499**—Year ended June 30, 2014**

Criteria: The recipient must minimize the time elapsing between the receipt of funds and their disbursement. The 2012 CDBG Recipients' Manual states "A period of 3 working days or less shall be considered acceptable for any sum more than $5,000." The CDBG Manual also states that "whenever cash on hand exceeds $5,000 and appears to exceed the next 3 working days needs, the excess should be immediately returned to DCA."

Statement of condition: Compliance requirement for Cash Management not followed.

Questioned costs: None.

Perspective Information: During the period August 16, 2013 through March 21, 2014 the recipient received four drawdowns. At least six disbursements for more than $5,000 each were made more than three working days after deposit of drawdowns. During that period cash on hand exceeded $5,000 in at least four instances.

Cause: Procedures are in place to comply with cash management requirement that cash be disbursed within three working days or less, but unavoidable conditions occurred in these instances.

Section III—Federal Awards Findings and Questioned Costs (continued):

2014-6 (continued). Community Development Block Grant – CFDA NO. 14.228
Grant No. 12b-y-129-1-5499**—Year ended June 30, 2014**

Effect: Cash on hand exceeded $5,000 for the four drawdowns.

Recommendation: Grant administrator should strive to make disbursements within 3 working days of receipt of funds.

Views of responsible officials: We concur with the finding. This was an isolated matter and we have discussed the matter with the grant administrator and she will follow the cash management policy.

SUMTER COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Status of Prior Year Audit Findings

2013 - 1. Incomplete Bank Reconciliations, and financial reporting

Criteria: Each month as part of the closing routine, bank statement balances should be reconciled to amounts recorded in the general ledger and reported on the financial statements.

Condition: Bank accounts of the General Fund were not reconciled for the year.

Auditee Response/Status: Unresolved. This is included in current finding number 2014-1.

2013 - 2. 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 is insufficient 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 2014-2.

2013 - 3. 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.

Auditee Response/Status: Unresolved. This is included in current finding number 2014-3.

2013 - 4. Fiscal Agency Services for Southwestern Judicial Circuit Public Defender, Juvenile Court and District Attorney

Criteria: The County has agreed to provide fiscal agent services in the form of accounting and custodial management for officials of the Southwestern Judicial Circuit. These services include preparing and mailing invoices to Counties in the Circuit for reimbursement of costs of those offices (District Attorney does his own invoicing), receiving revenues, paying bills, record keeping, and financial reporting. Each county should pay its fair share based on population.

Condition: Billings for reimbursements have not been sufficient to cover costs and the County has used its general revenues to make-up the difference.

Auditee Response/Status: Partially resolved. This is included in current finding number 2014-4.

SUMTER COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Status of Prior Year Audit Findings (continued)

2013 - 5. 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

Auditee Response/Status: Unresolved. County management believes their accounting for these fines is sufficient and no need to establish a separate bank account. This is included in current finding number 2014-5.

2013 - 6. Budget Amendments

Criteria: Budgets should be amended as needed.

Condition: Eleven departments were over budget for the year.

Auditee Response/Status: Unresolved.