SUMTER COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2016

SUMTER COUNTY, GEORGIA

Annual Financial Report
For the Year Ended June 30, 2016

TABLE OF CONTENTS

	Pages
FINANCIAL SECTION	
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet — Governmental Funds	16
Statement of Revenues, Expenditures and Changes in Fund Balances — Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
General Fund — Statement of Revenues, Expenditures, and Changes in Fund Balance — Budget (GAAP Basis) and Actual	19 – 21
Fire Fund — Statement of Revenues, Expenditures, and Changes in Fund Balance — Budget (GAAP Basis) and Actual	22
Statement of Net Position — Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Fund Net Position — Proprietary Funds	24
Statement of Cash Flows — Proprietary Funds	25
Statement of Fiduciary Assets and Liabilities — Fiduciary Fund	26
Notes to Financial Statements	27 - 47
Required Supplementary Information:	
Schedule of Changes in the County's Net Pension Liability and Related Ratios	48
Schedule of County Contributions	49
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet — Nonmajor Governmental Funds	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances — Nonmajor Governmental Funds	51
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds — 2004 SPLOST	52
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds — 2007 SPLOST	53
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds — 2014 SPLOST	54
Combining Balance Sheet — Agency Funds	55
Combining Statement of Changes in Assets and Liabilities – Agency Funds	56

SUMTER COUNTY, GEORGIA

Annual Financial Report

For the Year Ended June 30, 2016

TABLE OF CONTENTS

	Pages
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	57 - 58
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	59 - 60
Schedule of Expenditures of Federal Awards	61
Schedule of Findings and Questioned Costs	62 - 65
Schedule of Prior Year Findings	66 - 67

FINANCIAL SECTION

CHAMBLISS, SHEPPARD, ROLAND
& ASSOCIATES, LLP

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners of Sumter County, Georgia
Americus, Georgia

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumter County, Georgia (the "County"), as of and for the year ended June 30, 2016, 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, which statements reflect total assets of $838,402, as of June 30, 2016, and total revenues of $999,099, 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 in the component unit's column 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. Because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for opinion on the Sumter County Livestock Authority, a discretely presented component unit.

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.

Basis for Disclaimer of Opinion

The financial statements of the Sumter County Livestock Authority for the year ended June 30, 2016, have not been prepared. The Sumter County Livestock Authority's financial activities should be included in the County's basic financial statements as a discretely presented component unit. We were not engaged to audit Sumter County Livestock Authority as part of our audit of the County's basic financial statements. The effect of the omission was not practicable to determine.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion" section, we have not been able to obtain sufficient appropriate audit evidence to provide the basis for an audit opinion of the Sumter County Livestock Authority, a discretely presented component unit for Sumter County, Georgia. Accordingly, we do not express an opinion on the financial statements of the Sumter County Livestock Authority.

Unmodified Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects the respective financial position of the governmental activities, business-type activities, each major fund, the aggregate remaining fund information of Sumter County, Georgia, and the Sumter County Department of Public Health discretely presented component unit as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows of the business-type activities for the year then ended and the budgetary comparison for the General 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 13) and the Schedule of Changes in the County's Net Pension Liability and Related Ratios and Schedule of County Contributions (on pages 48 and 49) 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 re-

quired part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements*, and is also not a required part of the basic financial statements.

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 opinion, 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 and the Schedule of Expenditures of Federal Awards 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 January 4, 2017 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.

Chamblissa Sheppard Roland and Associates LLP

Americus, Georgia
January 4, 2017

Within this section of Sumter County Georgia (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the calendar year ended June 30, 2016. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County's assets exceeded its liabilities by $66,991,566 (net position) for the calendar year reported.
- Total net position are comprised of the following:
  (1) Net investment in capital assets of $63,722,142 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net position of $5,163,137 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position (deficit) of $1,893,713
- The County's governmental funds reported total ending fund balance of $16,489,884 this year. This compares to the prior year ending fund balance of $16,712,413 showing a decrease of $222,529 during the current year. Unassigned fund balance of $5,386,060 at June 30, 2016 shows a $683,537 increase over the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $5,415,401 or 31.9% of total general fund expenditures. Overall, the County continues to maintain their financial position, in spite of a somewhat depressed economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all the County's assets and liabilities, with the difference 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. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities,* which reports how the County's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

The government-wide financial statements distinguish governmental activities of the County that are principally supported by property and sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and housing and development. The group health insurance internal service fund also is reported in governmental activities. The business-type activities include the solid waste management

The government-wide financial statements are presented on pages 14 & 15 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The County has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 16-22 of this report.

Individual fund information for nonmajor governmental funds is found in the supplementary section of this report.

The proprietary fund is reported in the fund financial statements and include a statement of net position, an operating statement and a cash flow statement. These statements are presented on pages 23-25 of this report.

The *fiduciary funds* are reported in the fund financial statements and include a comparative statement of fiduciary assets and liabilities for its agency funds. This statement is presented on page 26.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 27 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's defined benefit pension plan on pages 48 and 49. The combining and individual fund statements and schedules for non-major governmental funds, and the fiduciary funds follow the required supplementary information. These funds are added together by fund type and presented in single columns in the basic financial statements, but are not reported individually, as the major funds are, on the governmental funds financial statements. The combining and individual statements and schedules can be found on pages 50 - 56

Financial Analysis of the County as a Whole

The County's net position at fiscal year-end is $68,496,271. The following table provides a summary of the County's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total		2016
	2016	2015	2016	2015	2016	2015	% of Total
Assets							
Current assets	$ 19,681,603	$ 18,958,775	$ 1,596,506	$ 1,467,992	$ 21,278,109	$ 20,426,767	24%
Capital assets	67,157,518	69,327,681	-	-	67,157,518	69,327,681	76%
Total assets	86,839,121	88,286,456	1,596,506	1,467,992	88,435,627	89,754,448	100%
Liabilities							
Current liabilities	5,380,223	5,462,648	91,901	92,813	5,472,124	5,555,461	27%
Long-term liabilities	14,467,332	14,331,554	-	-	14,467,332	14,331,554	73%
Total liabilities	19,847,555	19,794,202	91,901	92,813	19,939,456	19,887,015	100%
Net position							
Net investment in capital assets	63,722,142	65,626,711	-	-	63,722,142	65,626,711	93%
Restricted	5,163,137	6,297,478	-	-	5,163,137	6,297,478	8%
Unrestricted	(1,893,713)	(3,431,935)	1,504,705	1,375,179	(389,008)	(2,056,756)	-1%
Total net position	$ 66,991,566	$ 68,492,254	$ 1,504,705	$ 1,375,179	$ 68,496,271	$ 69,867,433	100%

The County maintains a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 3.7 to 1, which compares favorably to 3.5 to 1 at June 30, 2015. The business-type activities current ratio is 17.4 to 1 as compared 15.8 to 1 at June 30, 2015. Overall, the total current ratio at June 30, 2016 is 3.9 to 1 as compared to 3.7 to 1 at June 30, 2015.

The County reported positive balances in net position for governmental activities. Net position decreased $1,500,688 in 2016 governmental activities or 2.2% below the 2015 amount. The net position for business-type activities increased $129,526 or 9.4%. The County's overall financial position decreased during calendar year 2016 by $1,371,162or 2%.

About 95.1% of the governmental activities net position is tied up in capital assets compared to 95.8% at June 30, 2015. The County uses these capital assets to provide services to its citizens.

The following table provides a summary of the County's changes in net position:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program:						
Charges for services	$ 7,019,961	$ 6,958,802	$ 1,258,252	$ 1,315,779	$ 8,278,213	$ 8,274,581
Operating grants	238,221	171,835	-	-	238,221	171,835
Capital grants & contributions	689,541	1,026,093	-	-	689,541	1,026,093
General:						
Taxes	18,358,539	17,693,985	-	-	18,358,539	17,693,985
Other	3,279	12,556	530	937	3,809	13,493
Total revenues	26,309,541	25,863,271	1,258,782	1,316,716	27,568,323	27,179,987
Program Expenses:						
General government	$ 3,881,221	$ 3,937,798	-	-	3,881,221	3,937,798
Judicial	2,120,684	1,976,770	-	-	2,120,684	1,976,770
Public safety	12,033,237	10,896,241	-	-	12,033,237	10,896,241
Public works	7,473,090	8,241,156	-	-	7,473,090	8,241,156
Health and welfare	272,916	393,237	-	-	272,916	393,237
Recreation	1,031,719	914,623	-	-	1,031,719	914,623
Housing & develop	718,082	949,221	-	-	718,082	949,221
Interest	304,280	628,424	-	-	304,280	628,424
Solid waste management	-	-	1,104,256	1,090,522	1,104,256	1,090,522
Total expenses	27,835,229	27,937,470	1,104,256	1,090,522	28,939,485	29,027,992
Transfers	25,000	25,000	(25,000)	(25,000)		
Excess	(1,500,688)	(2,049,199)	129,526	201,194	(1,371,162)	(1,848,005)
Beginning net position	68,492,254	70,541,453	1,375,179	1,173,985	69,867,433	71,715,438
Ending net position	$ 66,991,566	$ 68,492,254	$ 1,504,705	$ 1,375,179	$ 68,496,271	$ 69,867,433

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes to support governmental operations. Property taxes provided $10,262,296 or 39% of the County's total governmental revenues as compared to 39.5% in 2015.

Sales taxes are the second largest revenue source with $7,101,128 of revenues or 27% as compared to 25.2% in 2015.

Because of the County's financial position, we have been able to earn $2,224 in unrestricted interest earnings to support governmental activities. Also, note that program revenue covers 28.5% of governmental operating expenses compared to the same 29.2% in fiscal year 2015. This means that the government's taxpayers and the County's other general governmental revenues fund 71.5% of the governmental activities. Therefore, the general economy and the County businesses have a major impact on the County's revenue streams.

The County reported public works capital grants and contributions of $464,318.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up approximately 70.1% of the total governmental activities expenses as compared 68.5% in 2015. General government totals almost $4 million and the court system costs the County over $2 million annually.

This table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

Governmental Activities

	2016		2015	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	$ 3,881,221	$ 2,702,097	$ 3,937,798	$ 2,824,686
Judicial	2,120,684	1,128,137	1,976,770	947,663
Public safety	12,033,237	7,284,366	10,896,241	6,136,043
Public works	7,473,090	7,008,772	8,241,156	7,783,872
Health and welfare	272,916	272,916	393,237	393,237
Recreation	1,031,719	843,130	914,623	748,138
Housing and development	718,082	343,808	949,221	318,677
Interest	304,280	304,280	628,424	628,424
Total	$ 27,835,229	$ 19,887,506	$ 27,937,470	$ 19,780,740

After reducing gross expenses by program revenues, public safety totals 36.6% of the net cost of services and public works totals 35.2% of these costs. The primary revenue streams that reduced gross expenses were charges for services, capital contributions and capital grants.

Business-Type Activities

The County operates a *Solid Waste Management program* and accounts for the revenues recognized from services billed to customers and the for payment of costs of collection.

In fiscal year 2016, this fund reported operating income of $154,526 compared to operating income of $226,194 in fiscal year 2015. Charges for services decreased $57,527 or 4.4%.

Total operating expenses increased just $13,734 or 1.3% over the prior year. The unrestricted net position is $1,504,705 as compared to a balance of $1,375,179 at June 30, 2015, or a $129,526 or 9.4% increase.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $16,489,884.

Of this year-end total, $5,386,060 is unassigned indicating availability for continuing County service requirements. Legally restricted fund balances include $660,894 restricted to public safety and $10,008,448 to capital projects. The total ending fund balances of governmental funds show a decrease of $222,529 or 1.3% below the prior year amount. The major changes relate to an increase in the general fund of $498,824, a decrease in the 2007 SPLOST fund of $2,262,782 and an increase of $846,253 in the 2014 SPLOST fund.

Major Governmental Funds

The General Fund - The general fund is the County's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance increased $498,824 or 10.1%. In 2015, the general fund's fund balance increased $1,274,269.

In total, revenues decreased $179,254 or just 1%.

Total taxes increased $114,283 or just 9/10th of 1%. Current property taxes decreased $132,100 or 1.3%. Sales tax revenue increased $190,477 or 9.9% up over last year. May and June tax collections were substantially higher than normal, since one County taxpayer had larger tax receipts.

Licenses and permits revenue increased $81,148 or 71.5% over last year. The increase relates to construction activity that increased during the fiscal year. We had one large construction project that resulted in higher than usual permit revenues.

In total, the 2016 expenditures were less than the 2015 amount by $51,200 or just 3/10th of 1%. Some of the more notable changes in expenditures from 2016 follow:

The general government function costs decreased $161,775 or 5.1% below the 2015 amount. Included in this difference relates to the following:

- Legal fees of $349,972 were below the fiscal year 2015 amount in this function, since a budgetary policy change was made. Previously all legal costs were charged to general administration, however these costs are now charged to each applicable department.
- Building and grounds costs decreased $160,725 or 20.3% from fiscal year 2015 as we had a major water leak and the cost of mowing was reclassified from this classification to the recreation function.
- Financial administration costs increased $117,305 over fiscal year 2015 to a forensic audit of the Sheriff's Department.

As indicated, the general fund's ending unassigned fund balance increased $494,462 or 10% over the prior year. The unassigned fund balance (i.e. the amount available for future spending), is considered adequate, representing the equivalent of 31.9% of annual expenditures.

In addition to the general fund, the County reports four other major governmental funds.

Sumter County Fire Fund – This fund accounts for the fees billed to property owners and expenditures of operating the County-Wide fire department. In fiscal year 2016, the County reported revenues of $1,638,848 and expended $1,747,812 ($1,156,214 for operating costs; $197,000 for capital outlay and $394,598 for capital lease debt service). The ending fund balance was $524,721, up $127,728 from June 30, 2015.

2007 SPLOST Fund – The sales taxes reported in this fund are being used to fund approved projects approved via the SPLOST referendum. This fund expended $2,189,924 on capital projects and paid $75,173 to cities within the County for approved projects. The fund balance at June 30, 2016 is $1,816,958, down $2,262,782 from the June 30, 2015 balance.

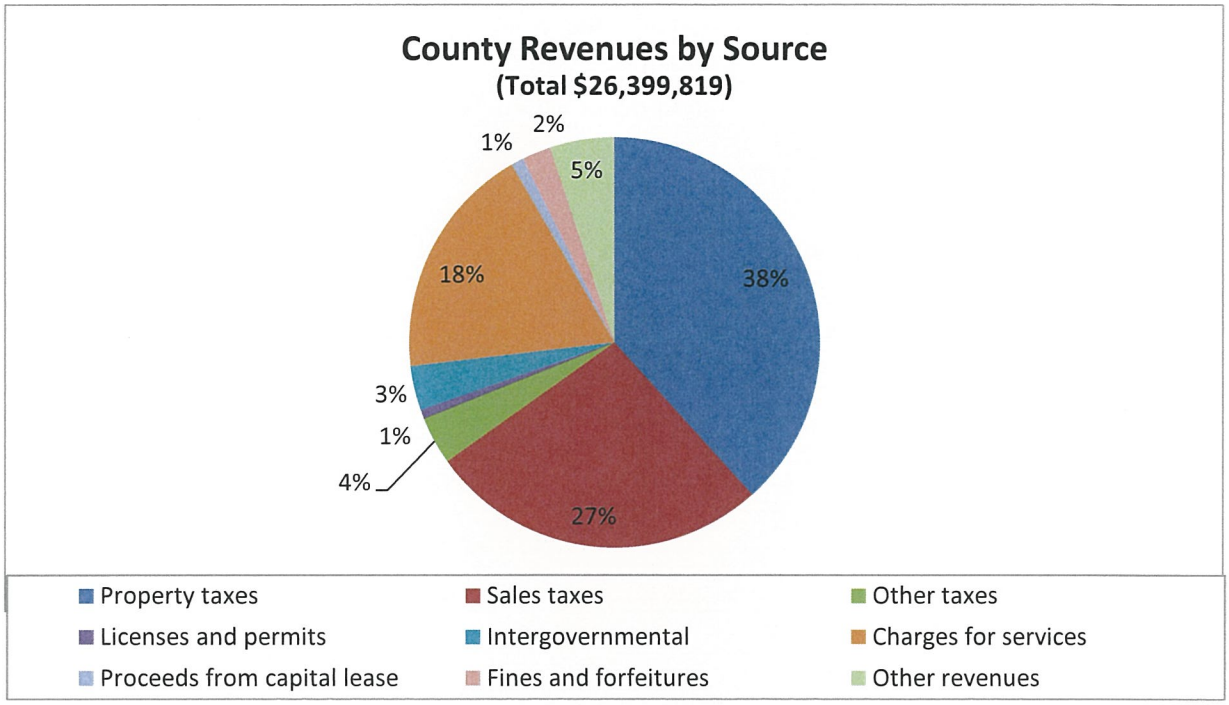
2014 SPLOST Fund – The sales taxes from this fund are being used to fund approved projects approved with the SPLOST referendum and for principal and interest on the *Sumter County General Obligation Sales Tax Bonds, Series 2014*. This fund recognized sales taxes of $4,136,144 and expended $1,457,576 on capital projects and $795,047 to cities within the County for approved projects. The fund also expended $1,040,560 for debt service. The fund balance at June 30, 2016 is $7,351,304, up $846,253 from the June 30, 2015 balance.

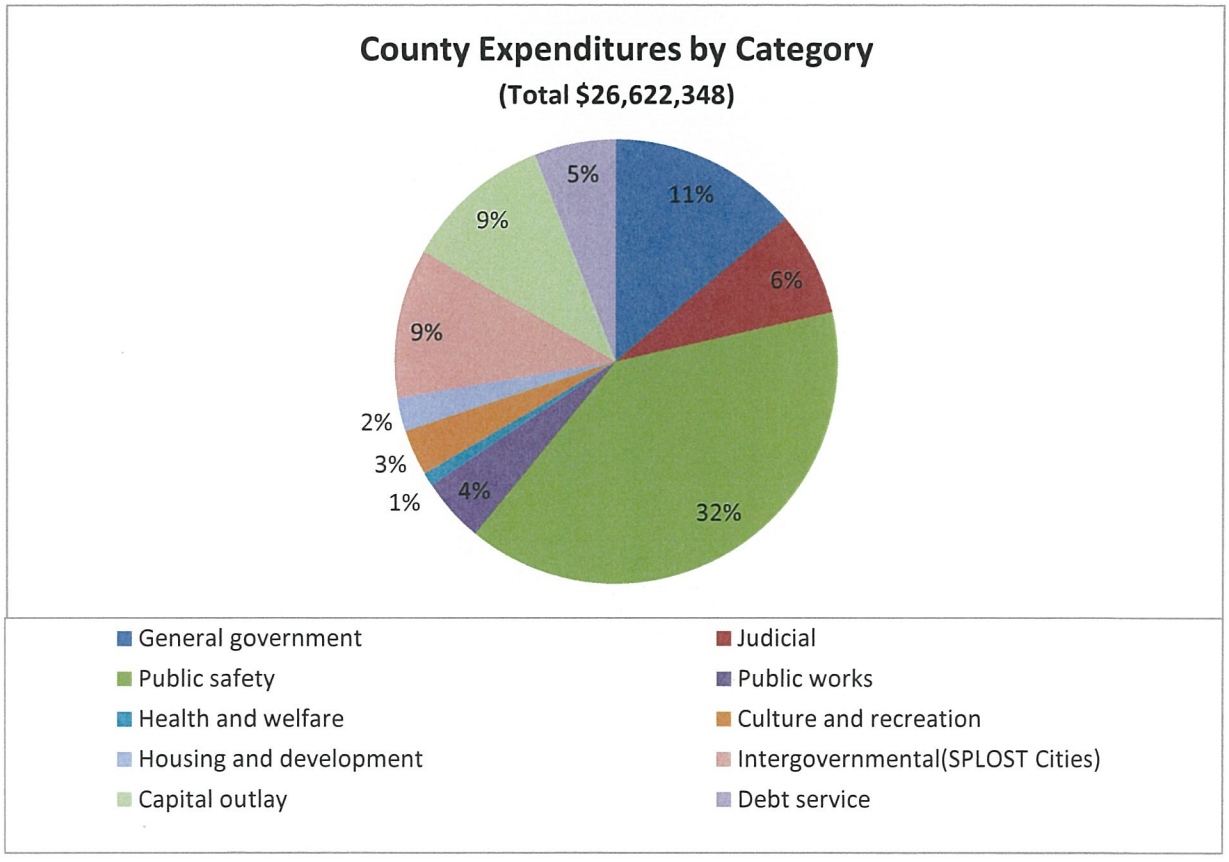
Transportation Special 1% Sales Tax Fund – This fund is used to account for the revenues and expenditures relating to the *Transportation Investment Act (TIA)* referendum passed by voters in the River Valley Region. The County will receive a designated allocation of the 1% sales tax over a 10-year period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

This fund recognized sales taxes of $843,009 and expended $684,008 on capital and related projects. This fund also expended $205,020 on debt service. The fund balance at June 30, 2016 is $441,769, down $160,439 from the June 30, 2015 balance.

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, 2016.





Proprietary Fund

Since the County reports only a single major enterprise fund, the financial analysis is presented above for this fund.

Budgetary Highlights

The General Fund – The County amended the revenue budget upward by $91,810 or just ½ of 1%.

Current property taxes were above budget by $472,932. This overage relates to a conservative approach to the property tax revenue budget and an aggressive collection policy of the current tax commissioner. Fines and forfeitures were $168,654 below the estimated budget. This revenue stream has been decreasing over the last few years and the County administration has been discussing this reduction in revenues with both the district attorney and state court judge.

For the year, the County recognized 103.6% of the final revenue budget.

In total, the expenditure side of the budget was amended downward by $492,035 or 2.8%. The total expenditure budget was underspent by $390,047 or 2.2%. The department heads are working hard to minimize spending.

The expenditure budget was amended near the end of the fiscal year, therefore, there are no significant variances to discuss as all line item amounts were within the final budget. The County did transfer $641,544 to the capital improvement fund to fund certain capital projects.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2016, was $64,332,638 as compared to an amount of $63,162,573 at June 30, 2015. The total net investment in capital assets was $63,722,142. See Note 5 for additional information about changes in capital assets during the calendar year and outstanding at the end of the year.

The following table provides a summary of capital asset activity.

	Governmental Activities	
	2016	2015
Non-depreciable assets:		
Land	$ 969,868	$ 969,868
Construction in progress	1,855,012	5,175,240
Total non-depreciable	2,824,880	6,145,108
Depreciable assets:		
Site improvements	488,113	488,113
Buildings	45,015,493	45,009,459
Machinery and equipment	15,338,010	11,307,306
Infrastructure	48,587,312	48,587,312
Total depreciable assets	109,428,928	105,392,190
Less accumulated depreciation	45,096,290	42,229,617
Book value - depreciable assets	64,332,638	63,162,573
Percentage depreciated	41%	40%

At June 30, 2016, the depreciable capital assets for governmental activities were 41% depreciated, or slightly above the 2015 percentage of 40%. This comparison indicates that the County is replacing its assets at about the same rate as they are depreciating, which is a positive indicator.

The reduction in the governmental activities' construction in progress account and the related addition to the machinery and equipment accounts includes placing in service eleven fire vehicles, apparatus and other various pieces of equipment with a total cost of $3,557,275.

The other major additions to the machinery and equipment classifications include:

- Sheriff's office vehicles and equipment - $181,220 (6 vehicles)
- IT Server - $127,517
- Code enforcement vehicles (2 vehicles) – $55,044
- Public works projects - $62,105

The remainder was the purchase of various departmental vehicles.

Long-term Debt

The following table presents the balances of the County's long-term debt at June 30, 2016 and 2015.

Governmental Activities

	2016	2015
Bonds payable	$ 10,885,000	$ 11,500,000
Issuance premium	936,939	1,145,782
Capital leases	3,435,376	3,680,970
Net pension liability	1,708,064	1,324,647
Landfill post-closure	323,427	309,052
Compensated absences	396,238	384,963
Total	$ 17,685,044	$ 18,345,414

The bonds are general obligations of the County and are payable first from a 1% special purpose local option sales and use tax collected within the County, and second from the levy of an ad valorem tax, without limitation as to rate or amount on all property within the County subject to taxation for bond purposes. These bonds will be fully retired in 2021.

During the year, the County added the final $261,692 to the capital lease for fire equipment, and paid $507,286 of principal the existing capital lease debt. The County's portion of the liability for landfill post-closure (approximately 25%) is $323,427 which relates to cost for the closed County landfill.

See Note 6 for additional information about the County's long-term debt.

Economic Conditions Affecting the County

The County is impacted by the same economic conditions impacting the State of Georgia and the nation. 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 considered in developing the County's 2016 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
- 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 2014 was 33.9%.

- 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 15 full-time and 8 part-time career firefighters, 14 inmate firefighters, and 40 volunteers.

Contacting the County's Financial Management

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, 2016

	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	$ 16,729,880	$ 1,015,664	$ 17,745,544	$ 583,779	$ -
Investments	-	-	-	200,000	-
Sales taxes receivable	861,590	-	861,590	-	-
Property taxes receivable	1,147,113	-	1,147,113	-	-
Accounts receivable, net of allowances	83,953	214,570	298,523	-	-
Due from other governments	1,187,783	-	1,187,783	50,989	-
Inventories	37,555	-	37,555	-	-
Internal balances	(366,272)	366,272	-	-	-
Capital assets, non-depreciable	2,824,880	-	2,824,880	-	-
Capital assets, depreciable, net of accumulated depreciation	64,332,638	-	64,332,638	3,634	-
Total assets	86,839,120	1,596,506	88,435,626	838,402	-
DEFERRED OUTFLOW OF RESOURCES					
Employer pension contributions July 1, 2015-June 30, 2016	-	-	-	100,555	-
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	86,839,120	1,596,506	88,435,626	938,957	-
LIABILITIES					
Accounts payable	1,439,007	91,801	1,530,808	33,773	-
Accrued liabilities	539,852	-	539,852	-	-
Funds held for Airport Authority	7,233	-	7,233	-	-
Unclaimed funds	176,418	-	176,418	-	-
Capital leases due within one year	503,346	-	503,346	-	-
Capital leases due in more than one year	2,932,030	-	2,932,030	-	-
Bond payable due within one year	2,258,272	-	2,258,272	-	-
Bond payable due in more than one year	9,563,667	-	9,563,667	-	-
Compensated absences due within one year	396,238	-	396,238	26,860	-
Compensated absences due in more than one year	-	-	-	48,983	-
Landfill postclosure costs due within one year	59,856	-	59,856	-	-
Landfill postclosure costs due in more than one year	263,571	-	263,571	-	-
Net pension obligation due in more than one year	1,708,064	-	1,708,064	716,206	-
Total liabilities	19,847,554	91,801	19,939,355	825,822	-
DEFERRED INFLOWS OF RESOURCES					
Proportionate share of collective deferred inflows of resources-Pension plan	-	-	-	57,397	-
Changes in proportion and differences between employer contributions and proportionate share of contributions-Pension plan	-	-	-	62,017	-
Total deferred inflows of resources	-	-	-	119,414	-
Total liabilities and deferred inflows of resources	19,847,554	91,801	19,939,355	945,236	-
NET POSITION					
Net Investment in capital assets	63,722,142	-	63,722,142	3,634	-
Restricted for:					
Judicial	45,517	-	45,517	-	-
Public safety	1,244,964	-	1,244,964	-	-
Housing and development	7,228	-	7,228	-	-
Capital projects	2,657,144	-	2,657,144	-	-
Debt service	1,208,284	-	1,208,284	-	-
Other purposes	-	-	-	202,569	-
Unrestricted	(1,893,713)	1,504,705	(389,008)	(212,482)	-
Total net position	$ 66,991,566	$ 1,504,705	$ 68,496,271	$ (6,279)	$ -

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

SUMTER COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

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	Business-type Activities	Total	Component Units: Sumter County Department of Public Health	Component Units: Sumter County Livestock Authority
Primary government:									
Governmental activities:									
General government	$ 3,881,221	$ 1,176,124	$ 3,000	$ -	$ (2,702,097)	$ -	$ (2,702,097)	$ -	$ -
Judicial	2,120,684	803,373	189,174	-	(1,128,137)	-	(1,128,137)	-	-
Public safety	12,033,237	4,702,824	46,047	-	(7,284,366)	-	(7,284,366)	-	-
Public works	7,473,090	-	-	464,318	(7,008,772)	-	(7,008,772)	-	-
Health and welfare	272,916	-	-	-	(272,916)	-	(272,916)	-	-
Recreation	1,031,719	188,589	-	-	(843,130)	-	(843,130)	-	-
Housing and development	718,082	149,051	-	225,223	(343,808)	-	(343,808)	-	-
Interest on long-term debt	304,280	-	-	-	(304,280)	-	(304,280)	-	-
Issuance cost	-	-	-	-	-	-	-	-	-
Total governmental activities	27,835,229	7,019,961	238,221	689,541	(19,887,506)	-	(19,887,506)	-	-
Business-type activities:									
Solid waste management	1,104,256	1,258,252	-	-	-	153,996	$ 153,996	-	-
Total business-type activities	1,104,256	1,258,252	-	-	-	153,996	153,996	-	-
Total primary government	$ 28,939,485	$ 8,278,213	$ 238,221	$ 689,541	$ (19,887,506)	$ 153,996	$ (19,733,510)	$ -	$ -
Component units:									
Sumter County Department of Public Health	$ 789,629	$ 333,368	$ 421,953	$ -	$ -	$ -	$ -	$ (34,308)	$ -
Sumter County Livestock Authority	-	-	-	-	-	-	-	-	-
Total component units	$ 789,629	$ 333,368	$ 421,953	$ -	$ -	$ -	$ -	$ (34,308)	$ -
General revenues:									
Property taxes					10,262,296	-	10,262,296	-	-
Sales taxes					7,101,128	-	7,101,128	-	-
Insurance premium taxes					740,124	-	740,124	-	-
Other taxes					254,991	-	254,991	-	-
Allotment from Sumter County government					-	-	-	240,387	-
Late payment penalties and fees					-	530	530	-	-
Unrestricted investment earnings					2,224	-	2,224	3,391	-
Gain on sale of capital assets					1,055	-	1,055	-	-
Transfers					25,000	(25,000)	-	-	-
Total general revenues and transfers					18,386,818	(24,470)	18,362,348	243,778	-
Change in net position					(1,500,688)	129,526	(1,371,162)	209,470	-
Net position, beginning of year					68,492,254	1,375,179	69,867,433	(215,749)	279,046
Net position, end of year					$ 66,991,566	$ 1,504,705	$ 68,496,271	$ (6,279)	$ 279,046

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

SUMTER COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General	Sumter County Fire	2007 SPLOST	2014 SPLOST	Transportation Special 1% Sales Tax Fund	Other Governmental Funds	Total
ASSETS							
Cash and cash equivalents	$ 5,229,826	$ 510,278	$ 1,959,988	$ 7,603,520	$ 478,431	$ 947,837	$ 16,729,880
Sales taxes receivable	266,883	-	-	520,238	74,469	-	861,590
Property taxes receivable, net of allowance for uncollectible	884,764	262,349	-	-	-	-	1,147,113
Accounts receivable	30,160	53,793	-	-	-	-	83,953
Due from other governments	942,826	-	-	-	-	244,957	1,187,783
Due from other funds	451,194	169,199	33,938	-	83,603	267,734	1,005,668
Inventories	37,555	-	-	-	-	-	37,555
Total assets	$ 7,843,208	$ 995,619	$ 1,993,926	$ 8,123,758	$ 636,503	$ 1,460,528	$ 21,053,542
LIABILITIES							
Accounts payable	$ 392,577	$ 93,872	$ 792	$ 769,151	$ 25,518	$ 157,097	1,439,007
Accrued liabilities	470,304	31,432	-	-	3,167	-	504,903
Due to other funds	519,451	105,706	176,176	3,303	166,049	401,255	1,371,940
Grant funds held for Airport Authority	7,233	-	-	-	-	-	7,233
Unclaimed funds	176,418	-	-	-	-	-	176,418
Total liabilities	1,565,983	231,010	176,968	772,454	194,734	558,352	3,499,501
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - Property tax	824,269	239,888	-	-	-	-	1,064,157
Total deferred inflows of resources	824,269	239,888	-	-	-	-	1,064,157
FUND BALANCES							
Nonspendable	37,555	-	-	-	-	-	37,555
Restricted	-	524,721	1,816,958	7,351,304	441,769	587,335	10,722,087
Committed	-	-	-	-	-	344,182	344,182
Assigned	-	-	-	-	-	-	-
Unassigned	5,415,401	-	-	-	-	(29,341)	5,386,060
Total fund balances	5,452,956	524,721	1,816,958	7,351,304	441,769	902,176	16,489,884
Total liabilities, deferred inflows of resources and fund balances	$ 7,843,208	$ 995,619	$ 1,993,926	$ 8,123,758	$ 636,503	$ 1,460,528	

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.		67,157,518
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Taxes	$ 824,269	
Public Safety	239,888	1,064,157
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable	(34,949)	
Capital leases	(3,435,376)	
Bond payable	(11,821,939)	
Landfill postclosure costs	(323,427)	
Compensated absences	(396,238)	(16,011,929)
Net pension obligation used in governmental activities is not a financial resource and, therefore is not reported in the funds.		(1,708,064)
Net position of governmental activities		$ 66,991,566

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, 2016

	General	Sumter County Fire	2007 SPLOST	2014 SPLOST	Transportation Special 1% Sales Tax Fund	Other Governmental Funds	Total
Revenues:							
Property taxes	$ 10,103,682	$ -	$ -	$ -	$ -	$ -	$ 10,103,682
Sales taxes	2,121,975	-	-	4,136,144	843,009	-	7,101,128
Other taxes	409,896	585,219	-	-	-	-	995,115
Licenses and permits	194,509	-	-	-	-	-	194,509
Intergovernmental	49,047	-	-	-	-	872,973	922,020
Charges for services	3,841,053	1,042,296	-	-	-	-	4,883,349
Fines and forfeitures	449,646	-	-	-	-	150,751	600,397
Interest	1,629	406	2,315	3,292	135	189	7,966
Other revenues	927,570	10,927	-	-	-	354,949	1,293,446
Total revenues	18,099,007	1,638,848	2,315	4,139,436	843,144	1,378,862	26,101,612
Expenditures:							
Current							
General government	2,991,668	-	-	-	-	-	2,991,668
Judicial	1,837,685	-	-	-	-	237,218	2,074,903
Public safety	9,344,837	1,156,214	-	-	-	330,600	10,831,651
Public works	1,157,418	-	-	-	124,352	47	1,281,817
Health and welfare	272,916	-	-	-	-	-	272,916
Culture and recreation	905,017	-	-	-	-	7,148	912,165
Housing and development	441,396	-	-	-	-	224,694	666,090
Intergovernmental	-	-	2,189,924	795,047	-	-	2,984,971
Capital outlay	-	197,000	75,173	1,457,576	559,656	670,546	2,959,951
Debt service:							
Principal	-	316,040	-	615,000	191,246	-	1,122,286
Interest	-	78,558	-	425,560	13,774	-	517,892
Issuance cost	-	-	-	-	-	-	-
Total expenditures	16,950,937	1,747,812	2,265,097	3,293,183	889,028	1,470,253	26,616,310
Excess (deficiency) of revenues over (under) expenditures	1,148,070	(108,964)	(2,262,782)	846,253	(45,884)	(91,391)	(514,698)
Other financing sources (uses):							
Proceeds from sale of assets	11,515	-	-	-	-	-	11,515
Proceeds from capital lease	-	261,692	-	-	-	-	261,692
Contingencies	(6,038)	-	-	-	-	-	(6,038)
Transfers in	127,990	-	-	-	-	897,268	1,025,258
Transfers out	(782,713)	(25,000)	-	-	(114,555)	(77,990)	(1,000,258)
Total other financing sources (uses)	(649,246)	236,692	-	-	(114,555)	819,278	292,169
Net change in fund balances	498,824	127,728	(2,262,782)	846,253	(160,439)	727,887	(222,529)
Fund balance, beginning of year	4,954,132	396,993	4,079,740	6,505,051	602,208	174,289	16,712,413
Fund balance, end of year	$ 5,452,956	$ 524,721	$ 1,816,958	$ 7,351,304	$ 441,769	$ 902,176	$ 16,489,884

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, 2016

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

Net change in fund balances - total governmental funds		$ (222,529)
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	875,166	
Depreciation expense	(3,014,869)	(2,139,703)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(10,460)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Decrease in unavailable revenue-property tax	158,614	
Decrease in unavailable revenue-fire fees	48,260	206,874
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	507,286	
Proceeds from Capital Lease	(261,692)	
Principal paid on Bond Payable	615,000	
Premium Amortization	208,843	
Net change in interest payable	4,760	1,074,197
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	(383,417)	
Compensated absences	(11,275)	
Landfill postclosure costs	(14,375)	(409,067)
Change in net position - governmental activities		$ (1,500,688)

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, 2016

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 9,630,750	$ 9,630,750	$ 10,103,682	$ 472,932
Sales taxes	2,000,000	2,059,810	2,121,975	62,165
Other taxes	348,886	380,886	409,896	29,010
Licenses and permits	81,210	81,210	194,509	113,299
Intergovernmental	60,702	60,702	49,047	(11,655)
Charges for services	3,760,075	3,760,075	3,841,053	80,978
Fines and forfeitures	618,300	618,300	449,646	(168,654)
Interest income	3,011	3,011	1,629	(1,382)
Miscellaneous	876,695	876,695	927,570	50,875
Total revenues	17,379,629	17,471,439	18,099,007	627,568
Expenditures:				
Current:				
General government				
Board of commissioners	113,968	165,575	157,703	7,872
County clerk	59,942	71,783	69,484	2,299
Administrator	181,788	186,652	181,950	4,702
Elections	210,083	178,083	176,709	1,374
Financial administration	292,176	394,693	393,698	995
Legal	189,400	7,110	6,584	526
Information systems	84,436	79,936	79,699	237
Human resources	124,626	108,058	104,617	3,441
Tax commissioner's office	395,351	394,961	394,200	761
Tax assessor's office	485,665	517,088	515,226	1,862
Board of equalization	10,410	3,660	1,857	1,803
Risk management	290,000	290,240	263,745	26,495
Building and grounds	834,724	643,737	631,113	12,624
General administration	29,091	29,091	15,083	14,008
Total general government	3,301,660	3,070,667	2,991,668	78,999
Judicial:				
Court administration	45,631	46,871	40,273	6,598
Judge of superior court	204,779	140,279	139,068	1,211
Clerk of courts	463,207	433,946	429,582	4,364
District attorney	178,236	179,236	179,230	6
State court	91,244	75,234	73,729	1,505
Magistrate court	353,206	356,844	326,694	30,150
Probate court	165,216	165,216	158,266	6,950
Juvenile court	73,938	73,938	71,007	2,931
Grand jury	23,700	23,700	3,841	19,859
Public defense	405,402	416,514	415,995	519
Total judicial	2,004,559	1,911,778	1,837,685	74,093

(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, 2016

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Current (Continued)				
Public safety:				
Sheriff's office	$ 3,391,075	$ 3,483,286	$ 3,430,901	$ 52,385
Jail operations	2,654,598	2,657,361	2,644,904	12,457
Correctional institute	3,032,407	2,926,461	2,923,275	3,186
Coroner	57,205	57,715	45,529	12,186
E911	108,576	109,426	109,241	185
Animal control	39,964	40,808	38,796	2,012
Humane society	50,000	50,000	49,950	50
Emergency management	90,705	105,805	102,241	3,564
Total public safety	9,424,530	9,430,862	9,344,837	86,025
Public works:				
Public works department	1,173,208	1,093,406	1,073,879	19,527
Landfill closure/postclosure	154,222	86,722	83,539	3,183
Total public works	1,327,430	1,180,128	1,157,418	22,710
Health and welfare:				
Public health	243,063	245,813	244,831	982
Public welfare	20,000	20,000	18,405	1,595
Community service	5,000	7,355	7,180	175
Senior Citizens Center	2,500	2,750	2,500	250
Total health and welfare	270,563	275,918	272,916	3,002
Culture and recreation:				
Recreation	917,436	874,411	780,017	94,394
Libraries	125,000	125,250	125,000	250
Total culture and recreation	1,042,436	999,661	905,017	94,644
Housing and development:				
County agent's office	115,556	116,056	110,442	5,614
Forest resources	19,608	19,858	19,608	250
Building inspection	57,816	60,833	55,260	5,573
Planning and zoning	127,495	145,512	129,064	16,448
Code enforcement	57,650	37,650	35,581	2,069
Economic Development	48,000	53,795	53,182	613
Airport	35,716	38,266	38,259	7
Total housing and development	461,841	471,970	441,396	30,574
Total expenditures	17,833,019	17,340,984	16,950,937	390,047
Excess of revenues over expenditures	(453,390)	130,455	1,148,070	1,017,615

(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, 2016

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Other financing sources (uses):				
Proceeds from sale of assets	266,000	266,000	11,515	(254,485)
Contingencies	(250,000)	(6,301)	(6,038)	263
Transfers in	436,890	499,475	127,990	(371,485)
Transfers out	-	(1,030,713)	(782,713)	248,000
Total other financing sources (uses)	452,890	(271,539)	(649,246)	(377,707)
Net change in fund balances	(500)	(141,084)	498,824	639,908
Fund balance, beginning of year	4,954,132	4,954,132	4,954,132	-
Fund balance, end of year	$ 4,953,632	$ 4,813,048	$ 5,452,956	$ 639,908

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, 2016

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Insurance premiums tax	$ 585,219	$ 585,219	$ 585,219	$ -
Charges for services	1,073,986	1,083,986	1,042,296	(41,690)
Interest	-	-	406	406
Other revenues	500	500	10,927	10,427
Total revenues	1,659,705	1,669,705	1,638,848	(30,857)
Expenditures:				
Current:				
Public safety:				
County fire department	1,215,106	1,225,106	1,156,214	68,892
Capital outlay	25,000	286,000	197,000	89,000
Total public safety	1,240,106	1,511,106	1,353,214	157,892
Debt service:				
Principal	316,203	316,203	316,040	163
Interest	78,396	78,396	78,558	(162)
Total debt service	394,599	394,599	394,598	1
Total expenditures	1,634,705	1,905,705	1,747,812	157,893
Excess of revenues over expenditures	25,000	(236,000)	(108,964)	127,036
Other financing sources (uses):				
Proceeds from capital lease	-	261,000	261,692	692
Transfers out	(25,000)	(25,000)	(25,000)	-
Total other financing sources (uses)	(25,000)	236,000	236,692	692
Net change in fund balances	-	-	127,728	127,728
Fund balance, beginning of year	396,993	396,993	396,993	-
Fund balance, end of year	$ 396,993	$ 396,993	$ 524,721	$ 127,728

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

SUMTER COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Major Enterprise Fund
	Solid Waste Management
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 1,015,664
Due from General fund	366,272
Accounts receivable, net of allowances	214,570
Total current assets	1,596,506
Total assets	1,596,506
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	91,801
Total current liabilities	91,801
Total liabilities	91,801
NET POSITION	
Unrestricted	1,504,705
Total net position	$ 1,504,705

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, 2016

	Major Enterprise Fund Solid Waste Management
OPERATING REVENUES	
Charges for services:	
Solid waste collection fees	$ 1,258,252
Late payment penalties and fees	530
Total operating revenues	1,258,782
OPERATING EXPENSES	
Contracted services	1,104,256
Total operating expenses	1,104,256
Operating income	154,526
TRANSFERS	
Transfers out	(25,000)
Total transfers	(25,000)
Change in net position	129,526
NET POSITION, beginning of year	1,375,179
NET POSITION, end of year	$ 1,504,705

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, 2016

	Major Enterprise Fund
	Solid Waste Management
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 1,242,439
Late payment penalties and fees collected from customers	530
Payments to suppliers and service providers	(1,105,268)
Net cash provided by operating activities	137,701
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Advances to General Fund	(366,272)
Transfers to other funds	(25,000)
Net cash used in noncapital financing activities	(391,272)
Net (decrease) in cash and cash equivalents	(253,571)
Cash and cash equivalents:	
Beginning of year	1,269,235
End of year	$ 1,015,664
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 154,526
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(15,814)
Decrease in accounts payable	(1,011)
Net cash provided by operating activities	$ 137,701

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

SUMTER COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2016

	Agency Funds
ASSETS	
Cash	$ 932,584
Due from other governments	282,098
Total assets	$ 1,214,682
LIABILITIES	
Due to others	$ 1,214,682
Total liabilities	$ 1,214,682

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, 2016.

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 five-member board appointed by the County Commissioners. The Authority provides auction facilities for buying and selling of livestock, primarily cattle and hogs. The County has the ability to claim operating surpluses, but is not obligated to supplement operating deficits. The Authority's financial information for the year ended June 30, 2016, is not available and has been excluded from the Government-wide Statement of Net Position and Statement of Activities.

When available, 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 **2014 Special Purpose Local Option Sales Tax Capital Projects Fund (2014 SPLOST)** is used to account for the revenues and expenditures relating to the 2014 1% Special Purpose Local Option Sales Tax, including payments made for principal and interest on the Sumter County General Obligation Sales Tax Bonds, Series 2014.

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.

The **Capital Improvements Fund** is used to account for the acquisition or construction of capital facilities. This fund will account for the revenues and expenditures of the Local Maintenance and Improvement Grant Program (LMIG).

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. The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is 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, if any, 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 governmental funds 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 or greater 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	40 - 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, 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 recognized during the current period.

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 represents 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 28, 2015, billed on October 1, 2015, and payable on or before December 20, 2015. Liens for delinquent 2015 property taxes, including fire fees and solid waste fees (FiFa's) were filed on July 2016.

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 Chief Administrative Officer 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 Chief Administrative Officer 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, except personnel related costs can be transferred between line items within any department by the CFO with concurrence of the CAO; however, any budget transfers between departments 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 9, 2015, or as amended by the Board of Commissioners. The millage rate for 2015 for the unincorporated areas, incorporated areas, and the City of Americus District was set at the July 28, 2015, 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, 2016.

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, 2016.

NOTE 3. CASH AND INVESTMENTS (continued)

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, 2016, 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.

Cash in the 2014 SPLOST Fund includes $1,208,284 in the Bond Sinking Fund required by the Bond Indenture to be held for debt service obligations related to the General Obligation Sales Tax Bonds. (see Note 6).

NOTE 4. RECEIVABLES

Receivables at June 30, 2016, for the County's individual major and nonmajor funds in the aggregate are as follows:

	General	Fire Fund	2014 SPLOST	Transportation Special 1% Sales Tax	Nonmajor and Other Funds	Total
Receivables:						
Property Taxes	$ 1,274,261	$ 332,848	$ -	$ -	$ -	$ 1,607,109
Intergovernmental						
Sales tax	266,883	-	520,238	74,469	-	861,590
Other	942,826	-	-	-	244,957	1,187,783
Accounts	30,160	53,793	-	-	-	83,953
Gross receivables	2,514,130	386,641	520,238	74,469	244,957	3,740,435
Less: allowance for uncollectible	(389,497)	(70,499)	-	-	-	(459,996)
Net Receivables	$ 2,124,633	$ 316,142	$ 520,238	$ 74,469	$ 244,957	$ 3,280,439

General and Fire Funds taxes receivable includes only the County's portion of real and personal property taxes for years 1995 through 2015 which were unpaid at June 30, 2016. Property taxes collected during the year ended June 30, 2016, and collected by August 31, 2016, are recognized as revenues in the year ended June 30, 2016. Net receivables estimated to be collected subsequent to August 31, 2016, 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	$ 284,010
Less: Allowance for Uncollectibles	(69,440)
Net Receivable	$ 214,570

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 969,868	$ -	$ -	$ -	$ 969,868
Construction in progress	5,175,240	188,060	-	(3,508,288)	1,855,012
Total capital assets, not being depreciated	6,145,108	188,060	-	(3,508,288)	2,824,880
Capital assets, being depreciated:					
Site improvements	$ 488,113	$ -	$ -	$ -	$ 488,113
Buildings	45,009,459	6,034	-	-	45,015,493
Equipment	11,307,306	681,072	(158,656)	3,508,288	15,338,010
Infrastructure	48,587,312	-	-	-	48,587,312
Total capital assets, being depreciated	105,392,190	687,106	(158,656)	3,508,288	109,428,928
Less accumulated depreciation for:					
Site improvements	97,683	12,335	-	-	110,018
Buildings	8,195,238	890,805	-	-	9,086,043
Equipment	9,483,189	1,077,037	(148,196)	-	10,412,030
Infrastructure	24,453,507	1,034,692	-	-	25,488,199
Total accumulated depreciation	42,229,617	3,014,869	(148,196)	-	45,096,290
Total capital assets, being depreciated, net	63,162,573	(2,327,763)	(10,460)	3,508,288	64,332,638
Governmental activities capital assets, net	$ 69,307,681	$ (2,139,703)	$ (10,460)	$ -	$ 67,157,518

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

Governmental activities:	
General government	$ 773,987
Judicial	4,666
Public safety	896,899
Public works	1,190,809
Culture & recreation	104,921
Housing & development	43,587
Total depreciation expense – governmental activities	$ 3,014,869

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	26,620	735	-	27,355
Total accumulated depreciation	26,620	735	-	27,355
Total capital assets, net	$ 4,369	$ (735)	-	$ 3,634

NOTE 6. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	$ 11,500,000	$ -	$ (615,000)	$ 10,885,000	$ 2,050,000
Original issue premium	1,145,782	-	(208,843)	936,939	208,272
Capital leases	3,680,970	261,692	(507,286)	3,435,376	503,346
Compensated absences	384,963	372,449	(361,174)	396,238	396,238
Landfill post-closure care costs	309,052	22,957	(8,582)	323,427	59,856
Net pension obligation	1,324,647	383,417	-	1,708,064	-
Governmental activities long-term liabilities	$ 18,345,414	$ 1,040,515	$ (1,700,885)	$ 17,685,044	$ 2,764,712

Component Unit – Health Department:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 68,061	$ 29,687	$ (21,905)	$ 75,843	$ 26,860

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.

NOTE 6. LONG-TERM DEBT (continued)

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:

	Governmental Activities	
	Cost	Accumulated Depreciation
Equipment	$ 4,387,102	$ 1,001,396
Total assets under capital lease	$ 4,387,102	$ 1,001,396

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, 2016:

Year Ending June 30,	
2017	$ 581,824
2018	546,510
2019	451,879
2020	394,598
2021	394,598
2022-2025	1,413,976
Total minimum lease payments	3,783,385
Less: amount representing interest	(348,009)
Present value of future minimum lease payments	$ 3,435,376

General Obligation Sales Tax Bonds, Series 2014. In November 2014, the County issued General Obligation Sales Tax Bonds, Series 2014 in the amount of $11,500,000. The bonds bare interest rates ranging from 2.00% to 5.00%, and will be repaid in principal installments of $615,000 to $2,355,000 beginning December 1, 2014 and ending December 1, 2020. The bonds were issued to (i) fund the cost of capital outlay projects of Sumter County and the City of Americus, Georgia, (ii) prepayment of four capital lease obligations, and (iii) pay the cost of issuing the bonds. The bonds are general obligations of Sumter County and are payable first from a 1% special purpose local option sales and use tax collected within Sumter County, Georgia and second from the levy of an ad valorem tax, without limitation as to rate or amount on all property within Sumter County, Georgia subject to taxation for bond purposes. As of June 30, 2016 the outstanding balance of bonds was $10,885,000.

The bonds were issued at a premium of $1,255,941. The premium will be amortized over the life of the bonds following the straight line method.

NOTE 6. LONG-TERM DEBT (continued)

The annual requirements to amortize the bonds as of June 30, 2016 are as follows:

Year ending June 30	Principal	Interest	Total
2017	$ 2,050,000	$ 398,900	$ 2,448,900
2018	2,090,000	347,050	2,437,050
2019	2,155,000	272,600	2,427,600
2020	2,235,000	173,625	2,408,625
2021	2,355,000	58,875	2,413,875
Totals	$ 10,885,000	$ 1,251,050	$ 12,136,050

Landfill post-closure 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, 2016, the County has a remaining 13 years of monitoring. Engineering studies estimate post-closure costs of approximately $1,270,334 over the 13-year period. These costs are based on what it would cost to perform all post-closure care in 2016, 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 post-closure 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 post-closure costs for the 13 year period would be $323,427.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund receivables and payables as of June 30, 2016, is as follows:

Receivable Fund	Payable Fund	Amount
Fire Fund	2007 SPLOST	$ 169,199
General Fund	T-SPLOST	17,556
General Fund	Fire Fund	105,706
General Fund	C.H.I.P. 2013	100
General Fund	C.H.I.P. 2014	100
General Fund	C.D.B.G. 2014	100
General Fund	2014 SPLOST	3,303
General Fund	2007 SPLOST	6,977
General Fund	Capital Improvement Fund	158,181
General Fund	Victim Witness Fund	48,207
General Fund	Jail Commissary Fund	100
General Fund	Correctional Institute Commissary	96,380
General Fund	Juvenile Justice Prevention	14,484
D.A.T.E. Fund	General Fund	13,458
Law Library Fund	General Fund	2,403
Jail Fund	General Fund	137,318
T-SPLOST	Capital Improvement Fund	83,603
Capital Improvement Fund	T-SPLOST	114,555
Solid Waste Fund	General Fund	366,272
2007 SPLOST	T-SPLOST	33,938
		$ 1,371,940

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

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

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
General Fund	Fire Fund	25,000
General Fund	CDBG Business Loan Fund	62,585
General Fund	Sheriff's Discretionary Fund	15,405
Jail Fund	General Fund	141,169
Capital Improvement Fund	General Fund	641,544
Capital Improvement Fund	T-SPLOST Fund	114,555
		$ 1,025,258

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 from the Solid Waste Fund and Fire Fund to the General Fund was for administrative services provided by the General Fund. The transfer from the T-SPLOST to the Capital Improvement Fund was for the 10% match on the LMIG.

NOTE 8. FUND BALANCE

At June 30, 2016, fund balance consists of the following classifications as described in Note 1.L:

	General Fund	Fire Fund	2007 SPLOST Fund	T-SPLOST Fund	2014 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCES							
Nonspendable							
Inventories	$ 37,555	$ -	$ -	$ -	$ -	$ -	$ 37,555
Restricted for:							
Judicial:							
Law Library	-	-	-	-	-	45,517	45,517
Public Safety							
Sheriff operations (forfeiture funds)	-	-	-	-	-	40,496	40,496
Sheriff's discretion	-	-	-	-	-	2,482	2,482
Drug treatment & education	-	-	-	-	-	93,195	93,195
Fire protection	-	524,721	-	-	-	-	524,721
Housing & Development:							
Housing rehabilitation	-	-	-	-	-	7,228	7,228
Capital Projects	-	-	1,816,958	441,769	7,351,304	398,417	10,008,448
	-	524,721	1,816,958	441,769	7,351,304	587,335	10,722,087
Committed for:							
Public Safety							
Correctional Institute inmates	-	-	-	-	-	113,480	113,480
Jail Fund	-	-	-	-	-	206,566	206,566
Jail inmates	-	-	-	-	-	24,136	24,136
	-	-	-	-	-	344,182	344,182
Assigned for:							
Capital projects	-	-	-	-	-	-	-
Unassigned	5,415,401	-	-	-	-	(29,341)	5,386,060
Total Fund Balances	$ 5,452,956	$ 524,721	$1,816,958	$ 441,769	$ 7,351,304	$ 902,176	$ 16,489,884

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 Chief Administrative Officer 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, 2016, the County's contribution to the plan was $86,143. The amount contributed by employees was $211,826.

NOTE 10 – DEFINED BENEFIT PENSION PLANS

A. Primary Government

The County has established a non-contributory defined benefit pension plan, the Sumter County Defined Benefit Plan (the Plan). All full-time employees meeting the provisions set out in the Adoption Agreement are eligible on the first day of the month coincident with or following the date the employee completes three years of service. The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer public employees retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The Trustees for the Association County Commissioners of Georgia (ACCG) Pension Plan and the Trust oversees the administration, investment and funding of the ACCG Plan. 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.

Normal retirement is at age 65 and five years of service. Upon eligibility to retire, participants are entitled to monthly benefit equal to 1.0% of Average Annual Compensation (the highest average of the participant's compensation over five consecutive plan years during the ten plan years preceding the participant's date of retirement or other termination) multiplied by years of service.

The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

A. Primary Government (continued)

Plan Membership

As of January 1, 2015, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retirees, beneficiaries and disabled currently receiving benefits	26
Terminated plan participants entitled to but not receiving benefits	91
Active plan members	148
	265

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended June 30, 2016, the County's contribution rate was 5.8% of annual payroll. County contributions to the Plan were $282,600 for the year ended June 30, 2016.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2015.

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

Inflation	3.00%
Salary increases	3.0% - 5.5%, per year based on an age
Cost of Living Adjustments	2.5%
Investment rate of return	7.5 % per year

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table. The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for through December 31, 2015.

Discount Rate. The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as the forward-looking capital market assumptions for a moderate asset allocation (50%) as determined by UBS. The following summarizes the results of the calculation:

20-year building blocks return (7.44% x 25%)	1.86%
30-year building blocks return (9.49% x 25%)	2.37%
UBS capital markets assumption for a moderate asset allocation (6.30% x 50%)	3.15%
	7.38%
Discount rate (rounded to the nearest .25%)	7.50%

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

A. Primary Government (continued)

Plan Investments. Contributions to the Plan are held, managed and invested by the Trustees in accordance with the investment guidelines (detailed in the Statement of Investment Objectives and Guidelines executed by the Trustees on June 8, 2012) and with investment management agreements between the ACCG Pension Trust and one or more asset managers. The Trustees also engage UBS Financial Services, Inc. as an independent investment consulting firm to assist the Plan in attainment of its investment objectives and to monitor compliance with the adopted objectives and guidelines.

- There were no significant investment policy changes during 2015.
- The fair market value of plan assets is determined by using methodologies detailed in Standard + Poor's Securities Evaluation (SPSE) and pricing data provided by Interactive Data Pricing and Reference Data LLC.
- According to the terms of the plan's investment policy, no more than 5% of the portfolio may be invested in one corporate issue.

The Trustees shall rebalance the portfolio at least annually for asset allocation purposes. The guidelines for allocation are: equities shall not exceed 70% of total Plan assets, valued at cost. Fixed Income shall be targeted at 30% of total Plan assets, valued at cost.

Trustees' guidelines for asset allocation are as follows:

	Target Allocation	Range
Fixed Income	30%	25% - 35%
Large Cap Equity	30%	25% - 35%
International Equity	15%	10% - 20%
Real Estate Investment Trusts	5%	2.5% - 10%
All Other	20%	10% - 40%

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended June 30, 2016, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2015	$ 3,650,900	$ 2,326,253	$ 1,324,647
Changes for the year:			
Service cost	143,690	-	143,690
Interest on total pension liability	271,313	-	271,313
Liability experience (gain) / loss	65,293	-	65,293
Assumption change	148,150	-	148,150
Contributions - employer	-	282,600	(282,600)
Net investment income	-	22,605	(22,605)
Benefit payments, including refunds of employee contributions	(66,774)	(66,774)	0
Administrative expense	-	(26,186)	26,186
Other charges	-	(33,990)	33,990
Net changes	561,672	178,255	383,417
Balances at June 30, 2016	$ 4,212,572	$ 2,504,508	$ 1,708,064

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

A. Primary Government (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.5 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
County's net pension liability	$ 2,380,067	$ 1,708,064	$ 1,159,780

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2015 and the current sharing pattern of costs between employer and employee.

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, 2016, were $100,555 based on qualifying salaries of $410,096. Ten year historical trend information and relevant actuarial information may be obtained from the Employees Retirement System of Georgia.

Other Plans

In addition to the above plans, various county employees and elected officials are covered under the following plans: Georgia Firefighters' Pension fund, Georgia State Employees' Retirement system (ERS), Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports.

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, 2016, the County paid $13,426 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 $38,259 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 $108,576 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-Webster Joint Development Authority, and the Crisp-Sumter Joint Development Authority.

REQUIRED SUPPLEMENTARY INFORMATION

SUMTER COUNTY, GEORGIA

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
AND RELATED RATIOS

	2016	2015
Total pension liability		
Service cost	$ 143,690	$ 130,437
Interest on total pension liability	273,818	247,613
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	148,150	-
Benefit payments, including refunds of employee contributions	(69,278)	-
Experience Gain / (Loss)	65,293	(57,323)
Net change in total pension liability	561,673	320,727
Total pension liability - beginning	3,650,900	3,330,173
Total pension liability - ending (a)	$ 4,212,573	$ 3,650,900
Plan fiduciary net position		
Contributions - employer	$ 282,600	$ 264,235
Net investment income	22,605	153,633
Benefit payments, including refunds of employee contributions	(66,774)	(57,323)
Administrative expenses	(26,186)	(25,307)
Other	(33,989)	(30,268)
Net change in plan fiduciary net position	178,256	304,970
Plan fiduciary net position - beginning	2,326,253	2,021,283
Plan fiduciary net position - ending (b)	$ 2,504,509	$ 2,326,253
County's net pension liability - ending (a) - (b)	$ 1,708,064	$ 1,324,647
Plan fiduciary net position as a percentage of the total pension liability	59.45%	63.72%
Covered compensation for active participants	$ 4,851,580	$ 4,734,902
County's net pension liability as a percentage of covered-employee payroll	35.21%	27.98%

Notes to the Schedule

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

SUMTER COUNTY, GEORGIA

SCHEDULE OF COUNTY CONTRIBUTIONS

	2016	2015	2014
Actuarially determined contribution	$ 282,600	$ 264,235	$ 258,635
Contributions in relation to the actuarially determined contribution	282,600	264,235	258,635
Contribution deficiency (excess)	$ -	$ -	$ -
Covered-employee payroll	$ 4,851,580	$ 4,734,902	$ 5,127,082
Contributions as a percentage of covered	5.82%	5.58%	5.04%

Notes to the Schedule	
Valuation date	January 1, 2016
Funding Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return on Investments	7.50%
Projected Salary Increases	3% - 5.5% (including 3% for inflation)
Amortization Period	Closed level dollar for remaining unfunded liability

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.

2013 CHIP — 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.

2014 CHIP — 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.

2014 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.

Drug Court Fund is used to account for grant funds for implementing an Adult Felony Drug Court in the Southwestern Circuit starting in Sumter County.

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.

County Jail Fund is used to account for the receipt of fine surcharge for construction, operation and staffing of the county jail and correctional institute.

Juvenile Justice Prevention and Treatment Fund is used to account for the receipts of grant funds for use in the juvenile accountability for offending behaviors through increased accountability programming for juvenile offenders and improved juvenile justice system accountability to juvenile offenders, in accordance with grant specifications.

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.

The **Capital Improvements Fund** is used to account for the acquisition or construction of capital facilities. This fund will account for the revenues and expenditures of the Local Maintenance and Improvement Grant Program (LMIG).

SUMTER COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue															Capital Projects		
	Sheriff's Forfeiture Recovery	Sheriff's Discretionary Fund	CDBG - Business Loan Recovery	Victim and Witness Assistance	Law Library	2013 CHIP Housing Rehabilitation	2014 CHIP Housing Rehabilitation	2012 CDBG Housing Rehabilitation	2014 CDBG Housing Rehabilitation	Drug Court Fund	Drug Abuse Treatment and Education	Correctional Institute Commissary	Jail Commissary	Jail Fund	Juvenile Justice Prevention & Treatment	2004 SPLOST	Capital Improvement Fund	Total
ASSETS																		
Cash and cash equivalents	$ 40,496	$ 4,082	$ -	$ 71,482	$ 41,959	$ 4,268	$ 88	$ 2,971	$ 8,653	$ -	$ 81,901	$ 59,736	$ 24,236	$ 67,735	$ 14,584	$ 31,969	$ 493,677	$ 947,837
Notes receivable	-	-	-	-						-							-	-
Due from other funds	-	-	-	-	2,403	-	-	-	-	-	13,458	-	-	137,318	-	-	114,555	267,734
Due from other governments	-	-	-	54,501	1,155	-	-	-	-	7,713	947	166,775	-	1,513	12,353	-	-	244,957
Total assets	$ 40,496	$ 4,082	$ -	$ 125,983	$ 45,517	$ 4,268	$ 88	$ 2,971	$ 8,653	$ 7,713	$ 96,306	$ 226,511	$ 24,236	$ 206,566	$ 26,937	$ 31,969	$ 608,232	$ 1,460,528
LIABILITIES AND FUND BALANCES																		
LIABILITIES																		
Accounts payable	$ -	$ 1,600	$ -	$ 107,105	$ -	$ -	$ -	$ -	$ 8,464	$ 7,713	$ 3,111	$ 16,651	$ -	$ -	$ 12,453	$ -	$ -	$ 157,097
Due to other funds	-	-	-	48,207	-	100	100	-	100	-	-	96,380	100	-	14,484	-	241,784	401,255
Total liabilities	-	1,600	-	155,312	-	100	100	-	8,564	7,713	3,111	113,031	100	-	26,937	-	241,784	558,352
FUND BALANCES (DEFICIT)																		
Nonspendable for:																		
Noncurrent loans receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted for:																		
Judicial	-	-	-	-	45,517	-	-	-	-	-	-	-	-	-	-	-	-	45,517
Public safety	40,496	2,482	-	-	-	-	-	-	-	-	93,195	-	-	-	-	-	-	136,173
Housing and development	-	-	-	-	-	4,168	-	2,971	89	-	-	-	-	-	-	-	-	7,228
Capital projects	-	-	-	-	-	-		-	-	-	-	-	-	-	-	31,969	366,448	398,417
Committed for:																		
Public safety	-	-	-	-	-	-	-	-	-	-	-	113,480	24,136	206,566	-	-	-	344,182
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(29,329)	-	-	(12)	-	-	-	-	-	-	-	-	-		(29,341)
Total fund balances (deficit)	40,496	2,482	-	(29,329)	45,517	4,168	(12)	2,971	89	-	93,195	113,480	24,136	206,566	-	31,969	366,448	902,176
Total liabilities and fund balances	$ 40,496	$ 4,082	$ -	$ 125,983	$ 45,517	$ 4,268	$ 88	$ 2,971	$ 8,653	$ 7,713	$ 96,306	$ 226,511	$ 24,236	$ 206,566	$ 26,937	$ 31,969	$ 608,232	$ 1,460,528

SUMTER COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue															Capital Projects		
	Sheriff's Forfeiture Recovery	Sheriff's Discretionary Fund	CDBG - Business Loan Recovery	Victim and Witness Assistance	Law Library	2013 CHIP Housing Rehabilitation	2014 CHIP Housing Rehabilitation	2012 CDBG Housing Rehabilitation	2014 CDBG Housing Rehabilitation	Drug Abuse Treatment and Education	Drug Court Fund	Correctional Institute Commissary	Jail Commissary	County Jail Fund	Juvenile Justice Prevention & Treatment	2004 SPLOST	Capital Improvement Fund	Total
Revenues:																		
Intergovernmental	$ -	$ -	$ -	$ 125,394	$ -	$ 63,052	$ -	$ 61,210	$ 100,961	$ -	$ 9,318	$ -	$ -	$ -	$ 54,462	$ -	$ 458,576	$ 872,973
Charges for service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	18,212	-	-	35,480	13,332	-	-	-	-	18,294	-	-	-	65,433	-	-	-	150,751
Interest income	17	2	26	9	19	-	-	-	-	30	-	31	8	11	-	3	33	189
Other revenues	12,113	15,105	-	-	-	-	-	-	-	-	-	209,858	117,873	-	-	-	-	354,949
Total revenues	30,342	15,107	26	160,883	13,351	63,052	-	61,210	100,961	18,324	9,318	209,889	117,881	65,444	54,462	3	458,609	1,378,862
Expenditures:																		
Current:																		
General Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	159,442	13,996	-	-	-	-	-	9,318	-	-	-	54,462	-	-	237,218
Public safety	13,592		-	-	-	-	-	-	-	12,284	-	196,035	108,642	47	-	-	-	330,600
Public works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47	47
Culture and recreation	-	7,148	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,148
Housing and development	-	-	246	-	-	58,884	12	61,430	104,122	-	-	-	-	-	-	-	-	224,694
Capital outlay	9,089	-	-	-	-	-	-	-	-	-	-	-	-	-	-	890	660,567	670,546
Debt service:																		
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	22,681	7,148	246	159,442	13,996	58,884	12	61,430	104,122	12,284	9,318	196,035	108,642	47	54,462	890	660,614	1,470,253
Excess (deficiency) of revenues over (under) expenditures	7,661	7,959	(220)	1,441	(645)	4,168	(12)	(220)	(3,161)	6,040	-	13,854	9,239	65,397	-	(887)	(202,005)	(91,391)
Other financing sources (uses):																		
Transfers in / (out)	-	(15,405)	(62,585)	-	-	-	-	-	-	-	-	-	-	141,169	-	-	756,099	819,278
Total other financing sources (uses)	-	(15,405)	(62,585)	-	-	-	-	-	-	-	-	-	-	141,169	-	-	756,099	819,278
Net change in fund balances	7,661	(7,446)	(62,805)	1,441	(645)	4,168	(12)	(220)	(3,161)	6,040	-	13,854	9,239	206,566	-	(887)	554,094	727,887
Fund balances, beginning of year	32,835	9,928	62,805	(30,770)	46,162	-	-	3,191	3,250	87,155	-	99,626	14,897	-	-	32,856	(187,646)	174,289
Fund balances (deficit), end of year	$ 40,496	$ 2,482	$ -	$ (29,329)	$ 45,517	$ 4,168	$ (12)	$ 2,971	$ 89	$ 93,195	$ -	$ 113,480	$ 24,136	$ 206,566	$ -	$ 31,969	$ 366,448	$ 902,176

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
2004 SPLOST
FOR THE YEAR ENDED JUNE 30, 2016

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	15,895,898	203	15,896,101
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	169,642	687	170,329
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	$ 21,526,526	$ 890	$ 21,527,416

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
2007 SPLOST
FOR THE YEAR ENDED JUNE 30, 2016

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Humane Society facilities and equipment	$ 300,000	$ 300,766	$ 297,396	$ -	$ 297,396
Recreation facilities	1,530,000	1,530,000	1,611,388	-	1,611,388
Judicial complex facility improvements	1,000,000	1,003,916	1,003,774	-	1,003,774
Vehicle replacement plan	750,000	750,000	778,160	-	778,160
Fire service equipment and facilities	250,000	250,000	1,120,883	-	1,120,883
Public works heavy equipment	450,000	485,432	432,284	-	432,284
Public works infrastructure	6,000,000	4,959,886	1,454,996	-	1,454,996
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	3,000,000	-	3,000,000
Jail/correctional institute renovation	2,000,000	2,000,000	1,757,341	75,173	1,832,514
Library facilities and resources	250,000	250,000	101,235	-	101,235
Library drainage remediation	100,000	100,000	3,500	-	3,500
Hospital construction	3,000,000	3,000,000	40,526	2,082,352	2,122,878
Projects for the following cities:					
Americus	4,307,288	4,307,288	4,126,706	-	4,126,706
Andersonville	359,000	359,000	242,598	100,000	342,598
Desoto	310,000	310,000	311,529	-	311,529
Leslie	551,000	551,000	461,445	7,533	468,978
Plains	342,712	342,712	371,455	39	371,494
Interest and project management	-	-	1,413,536	-	1,413,536
	$ 25,400,000	$ 25,400,000	$ 20,095,243	$ 2,265,097	$ 22,360,340

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
2014 SPLOST
FOR THE YEAR ENDED JUNE 30, 2016

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Roads, streets, bridges, infrastructure	$ 4,000,000	$ 4,000,000	$ -	$ 876,504	$ 876,504
Repair & paving of county roads in Americus	81,217	81,217	-	-	-
Human Services Center debt payoff	3,496,312	3,496,312	3,496,313		3,496,313
Vehicle replacement plan	2,500,000	2,500,000	31,499	441,274	472,773
Parks & Recreation renovation & construction	1,075,000	1,075,000	-		-
Economic development infrastructure	500,000	500,000	-		-
Technology servers & computers	350,000	350,000	55,153	129,702	184,855
Emergency Operation Center	350,000	350,000	-	10,096	10,096
Security & communications equipment	300,000	300,000	-		-
Projects for the following cities:					
Americus	9,650,697	9,650,697	3,894,005	686,617	4,580,622
Andersonville	144,000	144,000	7,539	22,471	30,010
Desoto	127,000	127,000	6,582	19,617	26,199
Leslie	146,000	146,000	7,659	22,827	30,486
Plains	279,774	279,774	14,600	43,515	58,115
Interest and cost of issuance	-	-	542,802	425,560	968,362
	$ 23,000,000	$ 23,000,000	$ 8,056,152	$ 2,678,183	$ 10,734,335
	Repayment of principal on debt. Proceeds included in projects above.			615,000	
	Total 2014 SPLOST Fund expenditures			$ 3,293,183	

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, 2016

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	$ 160,095	$ 62,184	$ 643	$ 15,476	$ 144,859	$ 18,830	$ 178,617	$ 122,372	$ 30,672	$ 142,352	$ 56,484	$ 932,584
Due from other governments	-	-	-	-	-	-	-	5,623	56,169	220,306	-	282,098
Total assets	$ 160,095	$ 62,184	$ 643	$ 15,476	$ 144,859	$ 18,830	$ 178,617	$ 127,995	$ 86,841	$ 362,658	$ 56,484	$ 1,214,682
LIABILITIES												
Due to others	$ 160,095	$ 62,184	$ 643	$ 15,476	$ 144,859	$ 18,830	$ 178,617	$ 127,995	$ 86,841	$ 362,658	$ 56,484	$ 1,214,682

SUMTER COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2016

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, 2015	$ 355,788	$ 23,443	$ 647	$ 14,915	$ 261,697	$ 29,013	$ 6,624	$ 121,849	$ 32,479	$ (79,033)	$ (1,806)	$ 765,616
Additions	29,608,458	1,046,886	63,178	415,791	643,811	148,716	190,173	20,664	211,250	865,873	210,004	33,424,804
Deductions	(29,804,151)	(1,008,145)	(63,182)	(415,230)	(760,649)	(158,899)	(18,180)	(20,141)	(213,057)	(644,488)	(151,714)	(33,257,836)
Balance June 30, 2016	160,095	62,184	643	15,476	144,859	18,830	178,617	122,372	30,672	142,352	56,484	932,584
Due from other governments												
Balance July 1, 2015	-	-	-	-	-	-	-	3,580	10,032	140,236	(500)	153,348
Additions	-	-	-	-	-	-	-	5,623	56,169	220,306	500	282,598
Deductions	-	-	-	-	-	-	-	(3,580)	(10,032)	(140,236)	-	(153,848)
Balance June 30, 2016	-	-	-	-	-	-	-	5,623	56,169	220,306	-	282,098
Total assets												
Balance July 1, 2015	355,788	23,443	647	14,915	261,697	29,013	6,624	125,429	42,511	61,203	(2,306)	918,964
Additions	29,608,458	1,046,886	63,178	415,791	643,811	148,716	190,173	26,287	267,419	1,086,179	210,504	33,707,402
Deductions	(29,804,151)	(1,008,145)	(63,182)	(415,230)	(760,649)	(158,899)	(18,180)	(23,721)	(223,089)	(784,724)	(151,714)	(33,411,684)
TOTAL ASSETS	$ 160,095	$ 62,184	$ 643	$ 15,476	$ 144,859	$ 18,830	$ 178,617	$ 127,995	$ 86,841	$ 362,658	$ 56,484	$ 1,214,682
LIABILITIES												
Due to county												
Balance July 1, 2015	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additions	9,995,213	512,129	54,453	141,649	470,694	-	-	-	-	-	-	11,174,138
Deductions	(9,995,213)	(512,129)	(54,453)	(141,649)	(470,694)	-	-	-	-	-	-	(11,174,138)
Balance June 30, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Amounts held for others												
Balance July 1, 2015	355,788	23,443	647	14,915	261,697	29,013	6,624	125,429	$ 42,511	61,204	$ (2,306)	918,965
Additions	19,613,245	534,757	8,725	274,142	173,117	148,716	190,173	26,287	267,419	362,658	210,504	21,809,743
Deductions	(19,808,938)	(496,016)	(8,729)	(273,581)	(289,955)	(158,899)	(18,180)	(23,721)	(223,089)	(61,204)	(151,714)	(21,514,026)
Balance June 30, 2016	160,095	62,184	643	15,476	144,859	18,830	178,617	127,995	86,841	362,658	56,484	1,214,682
Total liabilities												
Balance July 1, 2015	355,788	23,443	647	14,915	261,697	29,013	6,624	125,429	42,511	61,204	(2,306)	918,965
Additions	29,608,458	1,046,886	63,178	415,791	643,811	148,716	190,173	26,287	267,419	362,658	210,504	32,983,881
Deductions	(29,804,151)	(1,008,145)	(63,182)	(415,230)	(760,649)	(158,899)	(18,180)	(23,721)	(223,089)	(61,204)	(151,714)	(32,688,164)
TOTAL LIABILITIES	$ 160,095	$ 62,184	$ 643	$ 15,476	$ 144,859	$ 18,830	$ 178,617	$ 127,995	$ 86,841	$ 362,658	$ 56,484	$ 1,214,682

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, 2016, 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 January 4, 2017. Our report disclaims an opinion on the Sumter County Livestock Authority, because the financial statements were not prepared. Other auditors audited the financial statements of the Sumter County Department of Public Health, 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 deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses: 2016-001 and 2016-002.

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: 2016-003 through 2016-006.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items: 2016-004.

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 and Associates LLP

Americus, Georgia
January 4, 2017

CHAMBLISS, SHEPPARD, ROLAND
& ASSOCIATES, LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

Report on Internal Control over Compliance

Management of Sumter County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sumter County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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, material weaknesses may exist that have not been identified.

Purpose of This Report

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Chamblin Sheppard Roland and Associates LLP

Americus, Georgia
January 4, 2017

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Agency/ Pass-through Entity/Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures
U.S. Department of Justice :			
Passed-Through Office of the Governor Criminal Justice Coordinating Council:			
Grant Program - DA VWAP	16.575	C15-8-153 & C14-8-072	$ 125,394
Juvenile Justice Delinquency Prevention & Treatment Program	16.540	JJ-15-008	19,238
Juvenile Justice Delinquency Prevention & Treatment Program	16.540	Tt14-8-009	35,225
Total U.S. Department of Justice			179,857
U.S. Department of Transportation			
Passed-Through Georgia Department of Transportation:			
Design Hangers and Taxi Lanes	20.106	AP016-9029-26(261) Sumter	430,690
Total Federal Aviation Administration			430,690
U.S. Department of Housing and Urban Development:			
Passed-Through Department of Community Affairs			
Community Housing Investment Program	14.239	2013-892	58,872
Community Development Block Grant	14.228	12b-y-129-1-5499	61,430
Community Development Block Grant	14.228	14b-y-129-1-5698	100,961
Total C.D.B.G.			162,391
Total U.S. Department of Housing and Urban Development			221,263
U.S. Department of Homeland Security			
Passed-Through Georgia Emergency Management Agency:			
Response and Recovery Project	97.042	OEM15-131	35,587
Planning and Preparedness Award	97.042	OEM15-131	2,500
Training	97.042	OEM15-131	500
Performance Partnership Agreement	97.042	OEM15-131	9,960
Total U.S. Department of Homeland Security			48,547
Total Expenditures of Federal Awards			$ 880,357

Notes to the Schedule of Expenditures of Federal Awards

1. The accompanying schedule of expenditures of federal awards includes the federal award activity of Sumter, County, Georgia, under programs for the federal government for the fiscal year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of *Title 2 U. S. Code of Federal Regulations Part 200, uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule resents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

2. Expenditures reported on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments,* or the cost principles contained in *Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

SUMTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

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 ___ no

Noncompliance material to financial statements noted? ___ yes _X_ none reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes _X_ none reported
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ yes _X_ none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? ___ yes _X_ none reported

Identification of major programs:

CFDA Number	Name of Federal Program
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: $ 750,000

Auditee qualified as low-risk auditee? ___ yes _X_ no

SUMTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Section II—Financial Statement Findings:

2016 - 001. 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.

2016 - 002. Accounting System in Tax Commissioner's Office

Criteria: Accounting system should be functioning to insure that all monies received are promptly disbursed. The system should produce accurate reports of unpaid taxes. Monies held at the end of any accounting period should be reasonably explained.

Condition: Monies were not promptly accounted for and disbursed for the months of March, April, May, and June, 2016. Unpaid property tax was not documented at conversion and year end reports for audit were delayed.

Cause: The Tax Commissioner implemented new accounting software on March 1, 2015. Conversion was not adequately monitored and staff training was insufficient so that monies on hand at month end were not reconciled to actual bank balances.

Effect: Disbursements of property taxes were not accurately and completely disbursed for the year ended June 30, 2016. As of June 30, 2016, $41,937.02 remained on hand unaccounted for in the property tax account.

Recommendation: The Tax Commissioner should require the software provider to adequately train the accounting staff including developing procedures to insure that the Tax Commissioner's books and records are complete and accurate and that tax receipts are promptly disbursed.

2016 - 002. Accounting System in Tax Commissioner's Office (continued)

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The Tax Commissioner will have the software provider review the system and identify places where the errors occurred, and he will insure that the staff receives additional training so that the funds can be accurately and promptly disbursed.

2016 - 003. 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 are considering new accounting software that will improve our capital asset accounting. We will insure that the schedule of assets and depreciation is reviewed at least annually for completeness and accuracy.

2016 - 004. Accounting Procedures and Reporting for 2007 SPLOST Fund

Criteria: Special Purpose Local Option Sales Tax is to be used for purposes approved in the referendum.

Condition: An expenditure was made in a prior year from SPLOST funds that management later determined was more appropriately a TSPLOST expenditure. Funds have not been transferred.

Effect: As of June 30, 2015, $33,938 had been paid by the SPLOST fund that should have been for TSPLOST.

Cause: Administrative accounting reclassification of expenditure.

Recommendation: Funds should be repaid to SPLOST as soon as possible.

Management's Response: We concur with the finding.

2016 - 005. State Budgetary Requirements – Sheriff Special Revenue Fund Budgets

Criteria: State law requires that all special revenue funds in use by local governments should have a balanced budget.

Condition: Sheriff's Discretionary Fund was not budgeted for fiscal year ended June 30, 2016.

2016 - 005. State Budgetary Requirements – Sheriff Special Revenue Fund Budgets (continued)

Criteria: State law requires that all special revenue funds in use by local governments should have a balanced budget.

Condition: Sheriff's Discretionary Fund was not budgeted for fiscal year ended June 30, 2016.

Effect: Inappropriate expenditures which could violate the State gratuities clause.

Cause: Failure to comply with laws requiring budgets.

Recommendation: Budgets for Sheriff's special revenue funds should be prepared.

Management's Response: We concur with the finding. While the Board of Commissioners cannot compel the Sheriff or any other Constitutional Officer, management will work with the Sheriff to have budgets submitted for the budget resolution.

2016 – 006. Sheriff Department Inmate Funds, and Fines and Bonds Funds not balanced to supporting documentation

Criteria: Funds held for inmates, Cash Bonds, and State Court fines held by the Sheriff's Department should be balanced and reconciled to detailed records including name, date and amount.

Condition: Detail records do not balance or reconcile to funds being held in special accounts.

Effect: The following accounts have shortage or overage at June 30, 2016:

	Account Balance	Total Records Detail	Difference Over / (Short)
Jail Inmate Personal Fund	$ 18,830	$ 25,888	($ 7,058)
State Court Fines	85,067	83,264	1,803
Cash Bonds Fund	40,586	37,954	2,632

Cause: Bookkeeping errors over past years.

Recommendation: Cash in the accounts should be on hand to balance with the supporting detail records.

Management's Response: We concur with the finding. While the Board of Commissioners cannot compel the Sheriff or any other Constitutional Officer, management will work with the Sheriff's Department to insure that cash is on deposit to support underlying supporting documentation. We will work with the Sheriff's Department to validate the accuracy of the underlying documentation. The Jail Inmate Personal Funds especially has hundreds of accounts for released or transferred inmates whom we cannot locate. We will seek legal authority to disburse those funds.

Section III—Federal Awards Findings and Questioned Costs:

No audit findings or questioned costs were found which would be required to be reported under Title 2, U. S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

SUMTER COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

Status of Prior Year Audit Findings

2015 - 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: Resolved.

2015 - 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 2016-001.

2015 - 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 2016-003.

2015 - 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: Resolved.

SUMTER COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

Status of Prior Year Audit Findings (continued)

2015 - 5. Accounting System in Tax Commissioner's Office

Criteria: Accounting system should be functioning to insure that all monies received are promptly disbursed. The system should produce accurate reports of unpaid taxes. Monies held at the end of any accounting period should be reasonably explained.

Condition: Monies were not promptly accounted for and disbursed for the months of March, April, May, and June, 2015. Unpaid property tax was not documented at conversion and year end reports for audit were delayed.

Auditee Response/Status: Unresolved. This is included in current finding number 2016-002.

2015 - 6. State Budgetary Requirements – Special Revenue Fund Budgets

Criteria: All local governments shall operate under an annual balanced budget for the general fund, each special revenue fund, and each debt-service fund in use by the local government. Each unit of local government shall adopt and operate under a project-length balanced budget for each capital projects fund in use by the local government. A budget ordinance or resolution is deemed balanced when the sum of the estimated revenues and appropriated fund balances is equal to appropriations.

Condition: The County's budget resolution did not include the Sheriff's Discretionary Fund. After consultation with the County Attorney, management notified the Sheriff that use and distribution of Social Security incentive payments appeared to be inappropriate and were therefore not authorized through a sheriff's discretionary fund.

Auditee Response/Status: Partially resolved. This is included in current finding number 2016-005.