SUMTER COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2018

SUMTER COUNTY, GEORGIA

Annual Financial Report
For the Year Ended June 30, 2018

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For the Year Ended June 30, 2018

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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, 2018, 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 and deferred outflow of resources of $1,385,602, as of June 30, 2018, and total revenues of $1,089,319, for the year then ended. Their statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Sumter County Department of Public Health is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumter County, Georgia as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and Fire Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 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 required part of the basic financial statements. The accompanying 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 for Federal Awards* (Uniform Guidance), 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 schedules of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 19, 2019 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.

Chambliss Sheppard Roland Associates LLP

Americus, Georgia
February 19, 2019

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 fiscal year ended June 30, 2018. 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 assets of the County's governmental activities exceeded its liabilities by $67,696,032 (net position) for the fiscal year reported.
- Total net position are comprised of the following:
  (1) Net investment in capital assets of $57,832,688 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 $7,401,390 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $2,461,954.
- The County's governmental funds reported total ending fund balance of $13,043,628 this year. This compares to the prior year ending fund balance of $15,604,485 showing a decrease of $2,560,857 during the current year. Unassigned fund balance of $5,637,517 at June 30, 2018, shows a $252,969 decrease over the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $5,637,517 or 30.95% of the total general fund expenditures. Overall, the County continues to maintain their financial position.

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 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. Statement of fiduciary assets and liabilities for its agency funds 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.

Required 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.

Other Supplementary Information

This section includes combining and individual comparative statements and schedules for the nonmajor governmental funds and the fiduciary funds. These funds are added together by fund type and presented in single columns in the basic financial statements, but are not reported individually, as major funds are, on the governmental funds financial statements. The combining and individual statements and schedules can be found on pages 50-58.

Financial Analysis of the County as a Whole

The County's net position at fiscal year-end is $67,696,032. The following table provides a summary of the County's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total		2018
	2018	2017	2018	2017	2018	2017	% of Total
Assets							
Current assets	$ 15,337,153	$ 17,840,712	$ 1,869,808	$ 1,773,152	$ 17,206,961	$ 19,613,864	21%
Capital assets	65,024,113	65,238,153	-	-	65,024,113	65,238,153	79%
Total assets	80,361,266	83,078,865	1,869,808	1,773,152	82,231,074	84,852,017	100%
Deferred outflows of Resources-Pensions	431,865	940,351	-	-	431,865	940,351	
Liabilities							
Current liabilities	4,414,391	4,758,048	92,182	89,984	4,506,573	4,848,032	35%
Long-term liabilities	8,419,545	11,998,314	-	-	8,419,545	11,998,314	65%
Total liabilities	12,833,936	16,756,362	92,182	89,984	12,926,118	16,846,346	100%
Deferred inflows of Resources-Grants	-	25,000	-	-	-	25,000	
Resources-Pensions	263,163	-	-	-	263,163	-	
Net position							
Net investment in capital assets	57,833,060	59,749,753	-	-	57,833,060	59,749,753	83%
Restricted	7,401,390	6,068,616	-	-	7,401,390	6,068,616	11%
Unrestricted	2,461,582	1,419,485	1,777,626	1,683,168	4,239,208	3,102,653	6%
Total net position	$ 67,696,032	$ 67,237,854	$ 1,777,626	$ 1,683,168	$ 69,473,658	$ 68,921,022	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 3.47 to 1, which compares favorably to 3.75 to 1 at June 30, 2017. The business-type activities current ratio is 20.3 to 1 as compared 19.7 to 1 at June 30, 2017. Overall, the total current ratio at June 30, 2018 is 3.8 to 1 as compared to 4.0 to 1 at June 30, 2017.

The County reported positive balances in net position for governmental activities. Net position increased $458,178 in 2018 governmental activities or .7% above the stated 2017 amount. The net position for business-type activities increased $94,458 or 5.6% above the stated 2017 amount. The County's overall financial position increased during fiscal year 2017 by $552,636 or .8%.

About 85.43% of the governmental activities' net position is tied up in capital assets compared to 88.9% at June 30, 2017. 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	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program:						
Charges for services	$ 7,251,848	$ 7,064,267	$ 1,280,524	$ 1,289,017	$ 8,532,372	$ 8,353,284
Operating grants	542,037	388,088	-	-	542,037	388,088
Capital grants & contributions	1,142,259	1,244,745	-	-	1,142,259	1,244,745
General:						
Taxes	17,234,389	17,013,984	-	-	17,234,389	17,013,984
Other	319,445	56,580	5,027	9,706	324,472	66,286
Total revenues	26,489,978	25,767,664	1,285,551	1,298,723	27,775,529	27,066,387
Program Expenses:						
General government	$ 4,328,572	$ 3,816,123	-	-	4,328,572	3,816,123
Judicial	2,174,032	2,248,038	-	-	2,174,032	2,248,038
Public safety	12,344,070	12,185,058	-	-	12,344,070	12,185,058
Public works	4,871,534	5,298,211	-	-	4,871,534	5,298,211
Health and welfare	263,854	264,362	-	-	263,854	264,362
Recreation	1,170,303	1,112,754	-	-	1,170,303	1,112,754
Housing & development	771,491	675,081	-	-	771,491	675,081
Interest	207,194	272,659	-	-	207,194	272,659
Solid waste management	-	-	1,091,843	1,085,260	1,091,843	1,085,260
Total expenses	26,131,050	25,872,286	1,091,843	1,085,260	27,222,893	26,957,546
Transfers	99,250	35,000	(99,250)	(35,000)	-	-
Excess	458,178	(69,622)	94,458	178,463	552,636	108,841
Beginning net position	67,237,854	67,307,476	1,683,168	1,504,705	68,921,022	68,812,181
Ending net position	$ 67,696,032	$ 67,237,854	$ 1,777,626	$ 1,683,168	$ 69,473,658	$ 68,921,022

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes to support governmental operations. Property taxes provided $9,859,444 or 37.2% of the County's total governmental revenues as compared to 38% in 2017.

Sales taxes are the second largest revenue source with $6,247,488 of revenues or 23.6% as compared to 23.8% in 2017.

Because of the County's financial position, we have been able to earn $29,412 in unrestricted interest earnings to support governmental activities. Also, note that program revenue covers 33.7% of governmental operating expenses compared to 33.8% in fiscal year 2017. This means that the government's taxpayers and the County's other general governmental revenues fund 66.3% 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 $800,112.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up approximately 65.9% of the total governmental activities expenses as compared 67.6% in 2017. General government totals almost $4.3 million and the court system costs the County over $2.2 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

	2018		2017	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	$ 4,328,572	$ 3,090,571	$ 3,816,123	$ 2,615,275
Judicial	2,174,032	1,228,639	2,248,038	1,181,771
Public safety	12,344,070	7,105,285	12,185,058	7,424,744
Public works	4,871,534	4,071,422	5,298,211	4,457,408
Health and welfare	263,854	263,854	264,362	264,362
Recreation	1,170,303	1,004,907	1,112,754	927,015
Housing and development	771,491	223,034	675,081	31,952
Interest	207,194	207,194	272,659	272,659
Total	$ 26,131,050	$ 17,194,906	$ 25,872,286	$ 17,175,186

After reducing gross expenses by program revenues, public safety totals 41.3% of the net cost of services and public works totals 23.7% 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 2018, this fund reported operating income of $193,708 compared to operating income of $213,463 in fiscal year 2017. Charges for services decreased $8,493 or .7%.

Total operating expenses increased just $6,583 or .6% over the prior year. The unrestricted net position is $1,777,626 as compared to a balance of $1,683,168 at June 30, 2017, or a $94,458 or 5.6% 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 $13,043,628, a decrease of $2,560,857 or 16.4% below the prior year amount.

Of this year-end total, $5,637,517 is unassigned indicating availability for continuing County service requirements. Legally restricted fund balances include $1,074,666 restricted to public safety; $4,759,524 to capital projects; $1,302,741 for debit service; $29,696 for Judicial purposes. The major changes relate to a decrease in the general fund of $252,969, and a decrease of $1,610,127 in the 2014 SPLOST fund, and a decrease of $1,131,107 in the 2007 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 decreased $252,969 or -4.3%. In 2017, the general fund's fund balance increased $464,926.

In total, revenues increased $341,890 or 1.9%.

Total taxes increased $171,411 or 1.4%. Current property taxes increased $89,592 or .9%. Sales tax revenue increased $28,335 or 1.6% compared to last year. Other taxes increased by $53,484 due to a reduction in the allocation of insurance premium tax to the Fire Department.

In total, expenditures exceeded the 2017 amount by $821,880 or 4.7%. Some of the more notable changes in expenditures from 2018 follow:

- The general government function costs increased $676,394 or 22.8% above the 2017 amount.
- The public safety function costs increased $246,959 or 2.6% above the 2017 amount.
- The culture and recreation function costs increased $98,332 or 10.2% above the 2017 amount.
- Capital outlay cost decreased $121,288 or 65.5% below the 2017 amount.

As indicated, the general fund's ending unassigned fund balance decreased $252,969 or 4.3% below the prior year. The unassigned fund balance (i.e. the amount available for future spending), is considered adequate, representing the equivalent of 31.1% 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 2018, the County reported revenues of $1,491,947 and expended $1,593,647 ($1,180,224 for operating costs; $18,825 for capital outlay and $394,598 for debt service on capital lease). The ending fund balance was $504,572, down $148,673 from June 30, 2017.

2007 SPLOST Fund – The sales taxes reported in this fund are being used to fund projects approved via the SPLOST referendum. This fund expended $1,132,620 on capital projects. The fund balance at June 30, 2018 is $647,586, down $1,131,107, from the June 30, 2017 balance.

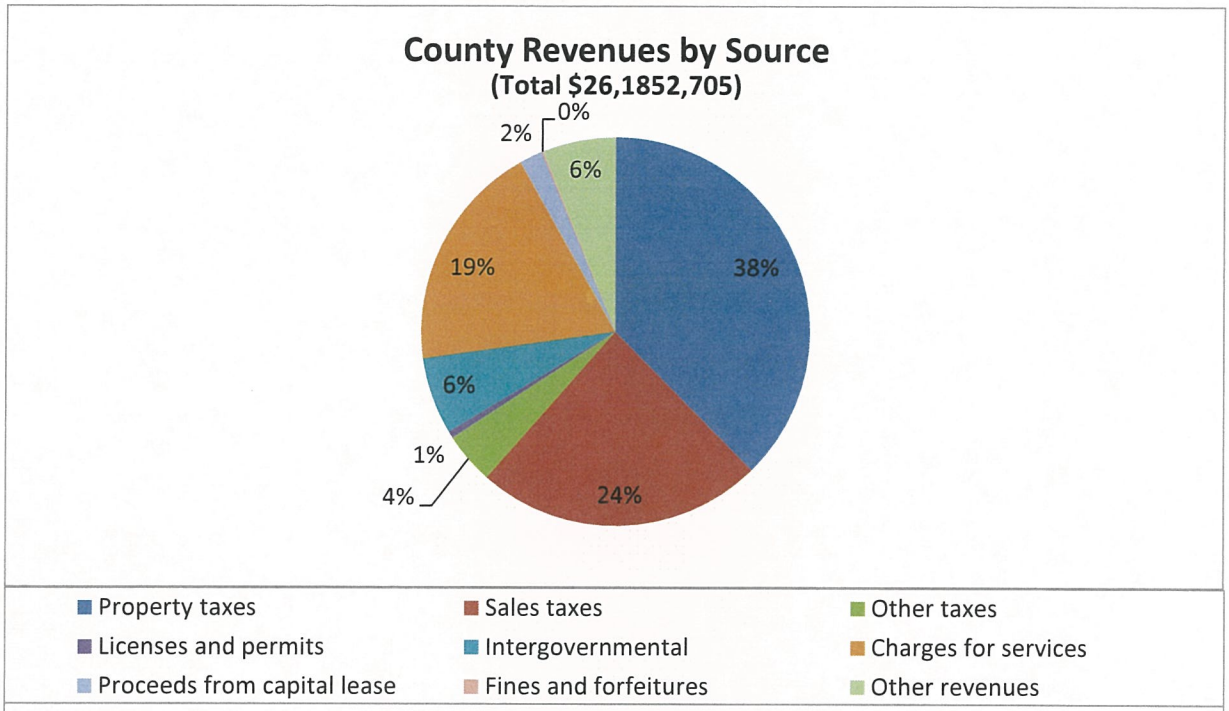
2014 SPLOST Fund – The sales taxes from this fund are being used to fund approved projects approved with the SPLOST referendum and for principal and interest on the *Sumter County General Obligation Sales Tax Bonds, Series 2014*. This fund collected sales taxes of $3,579,644, and expended $1,881,730 on capital projects and $873,013 to cities within the County for approved projects. The fund also expended $2,440,026 for debt service. The fund balance at June 30, 2018 is $3,440,934, down $1,610,127 from the June 30, 2017 balance.

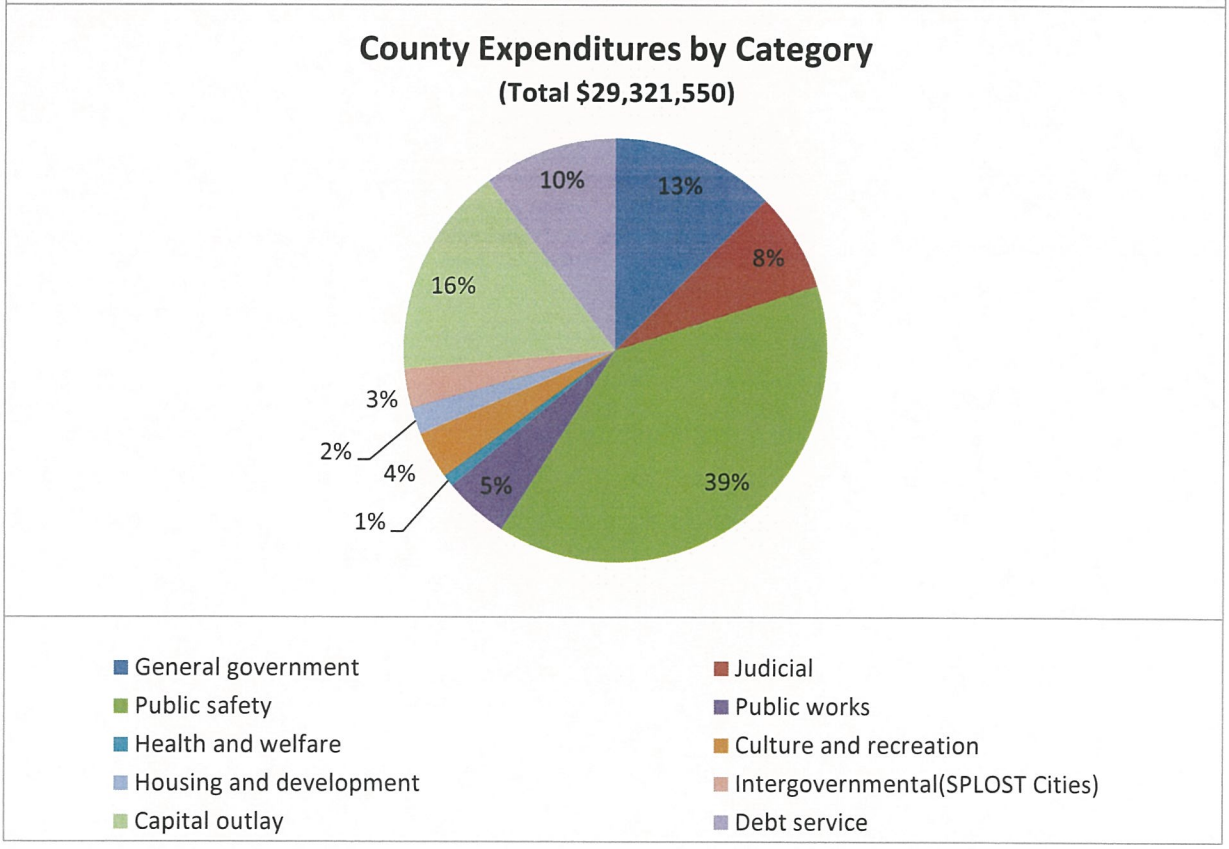
Transportation Special 1% Sales Tax Fund – This fund is used to account for the revenues and expenditures relating to the *Transportation Investment Act (TIA)* referendum passed by voters in the River Valley Region. The County receives a designated allocation of the 1% sales tax over a 10-year period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

This fund received sales taxes of $831,838 and expended $400,744 on capital and related projects. This fund also expended $151,776 on debt service. The fund balance at June 30, 2018 is $969,669, up $492,283 from the June 30, 2017 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, 2018.





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 – Current property taxes were above budget by $342,177. This overage relates to a conservative approach to the property tax revenue budget. Fines and forfeitures were $90,204 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 105.3% of the final revenue budget. The revenue budget was not amended.

In total, the expenditure side of the budget was amended upward by $93,449 or 0.5%. The total expenditure budget was under-spent by $267,875 or 1.45%. 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 Fire Fund- Revenues from fees were $38,508 above budget.

Expenditure budget was not amended. Total expenditures were under-spent by $93,519.

The Fire Fund transferred $16,255 to the Capital Projects Fund to fund construction of a fire tower.

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, 2018, was $65,024,113 as compared to an amount of $65,238,153 at June 30, 2017. The total net investment in capital assets was $57,832,688. 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	
	2018	2017
Non-depreciable assets:		
Land	$ 969,868	$ 969,868
Construction in progress	2,142,571	2,892,922
Total non-depreciable	3,112,439	3,862,790
Depreciable assets:		
Site improvements	738,064	488,113
Buildings	46,235,822	45,108,942
Machinery and equipment	14,994,699	15,348,664
Infrastructure	50,462,956	48,587,312
Total depreciable assets	112,431,541	109,533,031
Less accumulated depreciation	50,519,867	48,157,668
Book value - depreciable assets	$ 61,911,674	$ 61,375,363
Percentage depreciated	45%	44%
Book value - all assets	$ 65,024,113	$ 65,238,153

At June 30, 2018, the depreciable capital assets for governmental activities were 45% depreciated, or slightly above the 2017 percentage of 44%. 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 increase in the governmental activities' construction in progress account is due to bridge work, road work, and three smaller projects.

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

- Sheriff's office vehicles and equipment - $275,140 (5 vehicles)
- Remodeling of a building for $1,126,880
- Public works vehicles (2 vehicle) – $146,342
- Recreation department had a site improvement - $249,951

Long-term Debt

The following table presents the balances of the County's long-term debt at June 30, 2018 and 2017.

Governmental Activities

	2018	2017
Bonds payable	$ 6,745,000	$ 8,835,000
Issuance premium	520,395	728,667
Capital leases	2,452,780	2,933,466
Net pension liability	1,216,526	2,023,312
Landfill post-closure	303,505	313,218
Compensated absences	380,304	375,083
Total	$ 11,618,510	$ 15,208,746

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 paid $480,686 of principal on the existing capital lease debt. The County's portion of the liability for landfill post-closure (approximately 25%) is $303,505 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

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 2018 budget.

Some of the issues impacting the County's future are:

Population:

- Sumter County's population is showing a steady decline from an estimated population in 2000 of 33,200, to 32,817 in 2010, and to 30,687 in 2017.

Income and the Economy:

- The 2000 median household income for Sumter County was $30,904. The 2010 median household income was $32,430. The 2017 median household income was $34,219.
- The 2000 census showed that approximately 21.40% of Sumter County's population was living below the poverty level. This percentage increased in the 2010 census to 26.9%. The number of Sumter County residents living below the poverty level in 2017 increased to 33.4%.
- Economic Development received a boost three years ago with the formation of the One Sumter Initiative. $2,000,000 was raised, primarily from business and private sources in order to concentrate development.

Higher Education:

- Georgia Southwestern State University and South Georgia Technical College are both located in Sumter County. Enrollment at both institutions has remained stable in recent years.

TSPLOST (Transportation Special Purpose Local Option Sales Tax):

In 2012, voters in the River Valley Region approved a 10-year one percent sales tax to fund regional and local transportation improvements.

- Tax revenues from TSPLOST have been and will continue to be utilized for capital investment and development in transportation and related sectors of the local government.

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, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Sumter County Department of Public Health
ASSETS				
Cash and cash equivalents	$ 10,374,898	$ 850,942	$ 11,225,840	$ 961,630
Investments	980,000	735,000	1,715,000	200,000
Sales taxes receivable	543,269	-	543,269	-
Property taxes and fire fees receivable, net of allowances	1,286,841	223,242	1,510,083	-
Accounts receivable, net of allowances	45,165	-	45,165	44,229
Due from other governments	776,843	-	776,843	-
Inventories	27,396	-	27,396	-
Internal balances	-	60,624	60,624	-
Restricted cash	1,302,741	-	1,302,741	-
Capital assets, non-depreciable	3,112,439	-	3,112,439	-
Capital assets, depreciable, net of accumulated depreciation	61,911,674	-	61,911,674	8,233
Total assets	80,361,266	1,869,808	82,231,074	1,214,092
DEFERRED OUTFLOW OF RESOURCES				
Pension	431,865	-	431,865	103,352
OPEB	-	-	-	68,158
Total deferred outflows of resources	431,865	-	431,865	171,510
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	80,793,131	1,869,808	82,662,939	1,385,602
LIABILITIES				
Accounts payable	795,077	92,182	887,259	37,176
Accrued liabilities	183,244	-	183,244	-
Funds held for Airport Authority	62	-	62	-
Due to other funds	60,624	-	60,624	-
Unclaimed funds	176,419	-	176,419	-
Capital leases due within one year	393,085	-	393,085	-
Capital leases due in more than one year	2,059,695	-	2,059,695	-
Bond payable due within one year	2,363,272	-	2,363,272	-
Bond payable due in more than one year	4,902,123	-	4,902,123	-
Compensated absences due within one year	380,304	-	380,304	21,836
Compensated absences due in more than one year	-	-	-	44,706
Landfill post-closure costs due within one year	62,304	-	62,304	-
Landfill post-closure costs due in more than one year	241,201	-	241,201	-
Net pension obligation due in more than one year	1,216,526	-	1,216,526	627,436
Net OPEB obligation due in more than one year	-	-	-	536,069
Total liabilities	12,833,936	92,182	12,926,118	1,267,223
DEFERRED INFLOWS OF RESOURCES				
Pension	263,163	-	263,163	50,884
OPEB	-	-	-	86,769
Total deferred inflows of resources	263,163	-	263,163	137,653
Total liabilities and deferred inflows of resources	13,097,099	92,182	13,189,281	1,404,876
NET POSITION				
Net Investment in capital assets	57,833,060	-	57,833,060	8,233
Restricted for:				
Judicial	29,696	-	29,696	-
Public safety	1,309,429	-	1,309,429	-
Health & Welfare	-	-	-	179,031
Capital projects	4,759,524	-	4,759,524	-
Debt service	1,302,741	-	1,302,741	-
Other purposes	-	-	-	
Unrestricted	2,461,582	1,777,626	4,239,208	(206,538)
Total net position	$ 67,696,032	$ 1,777,626	$ 69,473,658	$ (19,274)

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

SUMTER COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Units: Sumter County Department of Public Health
Primary government:								
Governmental activities:								
General government	$ 4,328,572	$ 1,235,001	$ 3,000	$ -	$ (3,090,571)	$ -	$ (3,090,571)	$ -
Judicial	2,174,032	595,322	350,071	-	(1,228,639)	-	(1,228,639)	-
Public safety	12,344,070	5,049,819	188,966	-	(7,105,285)	-	(7,105,285)	-
Public works	4,871,534	96,162	-	703,950	(4,071,422)	-	(4,071,422)	-
Health and welfare	263,854	-	-	-	(263,854)	-	(263,854)	-
Recreation	1,170,303	165,396	-	-	(1,004,907)	-	(1,004,907)	-
Housing and development	771,491	110,148	-	438,309	(223,034)	-	(223,034)	-
Interest on long-term debt	207,194	-	-	-	(207,194)	-	(207,194)	-
Total governmental activities	26,131,050	7,251,848	542,037	1,142,259	(17,194,906)	-	(17,194,906)	-
Business-type activities:								
Solid waste management	1,091,843	1,280,524	-	-	-	188,681	$ 188,681	-
Total business-type activities	1,091,843	1,280,524	-	-	-	188,681	188,681	-
Total primary government	$ 27,222,893	$ 8,532,372	$ 542,037	$ 1,142,259	$ (17,194,906)	$ 188,681	$ (17,006,225)	$ -
Component units:								
Sumter County Department of Public Health	$ 729,529	$ 422,332	$ 427,468	$ -	$ -	$ -	$ -	$ 120,271
Total component units	$ 729,529	$ 422,332	$ 427,468	$ -	$ -	$ -	$ -	$ 120,271
General revenues:								
Property taxes					9,859,444	-	9,859,444	-
Sales taxes					6,247,488	-	6,247,488	-
Insurance premium taxes					842,966	-	842,966	-
Other taxes					284,491	-	284,491	-
Allotment from Sumter County government					-	-	-	233,771
Late payment penalties and fees					-	180	180	-
Unrestricted investment earnings					29,412	4,847	34,259	5,748
Gain on sale of capital assets					290,033	-	290,033	-
Transfers					99,250	(99,250)	-	-
Total general revenues and transfers					17,653,084	(94,223)	17,558,861	239,519
Change in net position					458,178	94,458	552,636	359,790
Net position, beginning of year					67,237,854	1,683,168	68,921,022	(379,064)
Net position, end of year					$ 67,696,032	$ 1,777,626	$ 69,473,658	$ (19,274)

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

SUMTER COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Sumter County Fire	2007 SPLOST	2014 SPLOST	Transportation Special 1% Sales Tax Fund	Other Governmental Funds	Total
ASSETS							
Cash and cash equivalents	$ 4,438,676	$ 515,451	$ 654,681	$ 2,077,362	$ 893,705	$ 1,795,023	$ 10,374,898
Investments	980,000	-	-	-	-	-	980,000
Sales taxes receivable	159,712	-	-	311,331	72,226	-	543,269
Property taxes and fire fees receivable, net of allowance for uncollectible	1,011,315	275,526	-	-	-	-	1,286,841
Accounts receivable	43,740	1,425	-	-	-	-	45,165
Due from other governments	614,084	-	-	-	-	162,759	776,843
Due from other funds	7,832	-	-	5,666	4,893	12,925	31,316
Inventories	27,396	-	-	-	-	-	27,396
Restricted cash	-	-	-	1,302,741	-	-	1,302,741
Total assets	$ 7,282,755	$ 792,402	$ 654,681	$ 3,697,100	$ 970,824	$ 1,970,707	$ 15,368,469
DEFERRED OUTFLOW OF RESOURCES							
Pension related items	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total assets and deferred outflow of resources	$ 7,282,755	$ 792,402	$ 654,681	$ 3,697,100	$ 970,824	$ 1,970,707	$ 15,368,469
LIABILITIES							
Accounts payable	$ 360,308	$ 22,352	$ 1,429	$ 256,166	$ 245	$ 154,577	795,077
Accrued liabilities	140,840	10,209	-	-	910	-	151,959
Due to other funds	65,592	20,506	5,666	-	-	176	91,940
Grant funds held for Airport Authority	62	-	-	-	-	-	62
Unclaimed funds	176,419	-	-	-	-	-	176,419
Total liabilities	743,221	53,067	7,095	256,166	1,155	154,753	1,215,457
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - Property tax and fire fees	874,621	234,763	-	-	-	-	1,109,384
Unearned revenue - Grant proceeds	-	-	-	-	-	-	-
Total deferred inflows of resources	874,621	234,763	-	-	-	-	1,109,384
FUND BALANCES							
Nonspendable	27,396	-	-	-	-	-	27,396
Restricted	-	504,572	647,586	3,440,934	969,669	1,603,396	7,166,157
Committed	-	-	-	-	-	212,558	212,558
Assigned	-	-	-	-	-	-	-
Unassigned	5,637,517	-	-	-	-	-	5,637,517
Total fund balances	5,664,913	504,572	647,586	3,440,934	969,669	1,815,954	13,043,628
Total liabilities, deferred inflows of resources and fund balances	$ 7,282,755	$ 792,402	$ 654,681	$ 3,697,100	$ 970,824	$ 1,970,707	

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.		65,024,113
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Taxes	$ 874,621	
Public Safety - fire fees	234,763	1,109,384
Deferred outflow of resources		
Pension cost		431,865
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable	$ (31,285)	
Capital leases	(2,452,780)	
Bond payable	(7,265,395)	
Landfill post-closure costs	(303,505)	
Compensated absences	(380,304)	(10,433,269)
Net pension obligation used in governmental activities is not a financial resource and, therefore is not reported in the funds.		(1,216,526)
Deferred inflow of resources		
Pension cost		(263,163)
Net position of governmental activities		$ 67,696,032

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, 2018

	General	Sumter County Fire	2007 SPLOST	2014 SPLOST	Transportation Special 1% Sales Tax Fund	Other Governmental Funds	Total
Revenues:							
Property taxes	$ 9,848,937	$ -	$ -	$ -	$ -	$ -	$ 9,848,937
Sales taxes	1,836,006	-	-	3,579,644	831,838	-	6,247,488
Other taxes	768,899	358,558	-	-	-	-	1,127,457
Licenses and permits	152,314	-	-	-	-	-	152,314
Intergovernmental	191,966	-	-	-	-	1,484,807	1,676,773
Charges for services	3,884,479	1,112,508	-	-	-	-	4,996,987
Fines and forfeitures	376,296	-	-	-	-	123,053	499,349
Interest	25,006	1,212	1,513	4,998	1,012	3,194	36,935
Other revenues	1,012,148	19,669	-	-	-	567,648	1,599,465
Total revenues	18,096,051	1,491,947	1,513	3,584,642	832,850	2,178,702	26,185,705
Expenditures:							
Current							
General government	3,645,682	-	-	-	-	-	3,645,682
Judicial	1,807,756	-	-	-	-	397,102	2,204,858
Public safety	9,714,728	1,180,224	-	-	-	444,798	11,339,750
Public works	1,238,593	-	-	-	211,473	-	1,450,066
Health and welfare	263,854	-	-	-	-	-	263,854
Culture and recreation	1,062,554	-	-	-	-	-	1,062,554
Housing and development	415,715	-	-	-	-	185,628	601,343
Intergovernmental	-	-	-	873,013	-	-	873,013
Capital outlay							
General government	35,649	-	-	131,678	-	21,889	189,216
Judicial	-	-	-	-	-	202	202
Public safety	18,085	18,825	5,740	276,190	-	76,554	395,394
Public works	7,649	-	1,126,880	944,407	189,271	1,030,840	3,299,047
Culture and recreation	-	-	-	400,908	-	10,798	411,706
Housing and development	2,369	-	-	128,547	-	281,844	412,760
Debt service:							
Principal	-	331,932	-	2,090,000	145,852	-	2,567,784
Interest	-	62,666	-	350,026	5,924	-	418,616
Total expenditures	18,212,634	1,593,647	1,132,620	5,194,769	552,520	2,449,655	29,135,845
Excess (deficiency) of revenues over (under) expenditures	(116,583)	(101,700)	(1,131,107)	(1,610,127)	280,330	(270,953)	(2,950,140)
Other financing sources (uses):							
Proceeds from sale of assets	38,798	4,282	-	-	246,953	-	290,033
Transfers in	178,453	-	-	-	-	369,892	548,345
Transfers out	(353,637)	(51,255)	-	-	(35,000)	(9,203)	(449,095)
Total other financing sources (uses)	(136,386)	(46,973)	-	-	211,953	360,689	389,283
Net change in fund balances	(252,969)	(148,673)	(1,131,107)	(1,610,127)	492,283	89,736	(2,560,857)
Fund balance(deficit), beginning of year	5,917,882	653,245	1,778,693	5,051,061	477,386	1,726,218	15,604,485
Fund balance, end of year	$ 5,664,913	$ 504,572	$ 647,586	$ 3,440,934	$ 969,669	$ 1,815,954	$ 13,043,628

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, 2018

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

Net change in fund balances - total governmental funds		$ (2,560,857)
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	3,083,906	
Depreciation expense	(3,297,946)	(214,040)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Increase in unavailable revenue-property tax	10,507	
Increase in unavailable revenue-fire fees	3,733	14,240
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	480,686	
Principal paid on bond payable	2,090,000	
Premium amortization	208,272	
Net change in interest payable	248	2,779,206
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	435,137	
Compensated absences	(5,221)	
Landfill post-closure costs	9,713	439,629
Change in net position - governmental activities		$ 458,178

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, 2018

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 9,506,760	$ 9,506,760	$ 9,848,937	$ 342,177
Sales taxes	1,800,000	1,800,000	1,836,006	36,006
Other taxes	706,053	706,053	768,899	62,846
Licenses and permits	141,700	141,700	152,314	10,614
Intergovernmental	64,265	64,265	191,966	127,701
Charges for services	3,633,760	3,633,760	3,884,479	250,719
Fines and forfeitures	466,500	466,500	376,296	(90,204)
Interest income	3,520	3,520	25,006	21,486
Miscellaneous	857,220	857,220	1,012,148	154,928
Total revenues	17,179,778	17,179,778	18,096,051	916,273
Expenditures:				
Current:				
General government				
Board of commissioners	197,777	532,261	532,261	-
County clerk	80,492	74,992	72,030	2,962
Administrator	206,270	206,270	198,182	8,088
Elections	248,767	663,406	663,406	-
Financial administration	324,612	242,431	242,431	-
Legal	2,490	3,790	3,405	385
Information systems	71,939	84,439	82,375	2,064
Human resources	135,246	129,246	124,119	5,127
Tax commissioner's office	491,521	418,939	418,939	-
Tax assessor's office	472,958	428,457	428,457	-
Board of equalization	27,466	6,966	3,828	3,138
Risk management	301,500	281,500	281,405	95
Building and grounds	720,045	573,977	573,977	-
General administration	29,091	22,091	20,867	1,224
Total general government	3,310,174	3,668,765	3,645,682	23,083
Judicial:				
Court administration	52,933	52,933	37,108	15,825
Judge of superior court	172,207	150,207	128,770	21,437
Clerk of courts	453,130	414,775	414,775	-
District attorney	178,236	184,436	184,374	62
State court	206,228	206,228	188,980	17,248
Magistrate court	355,566	352,086	336,671	15,415
Probate court	149,203	138,203	134,031	4,172
Juvenile court	81,051	90,619	90,619	-
Grand jury	10,700	5,200	4,050	1,150
Public defense	278,547	288,378	288,378	-
Total judicial	1,937,801	1,883,065	1,807,756	75,309

(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, 2018

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Current (Continued)				
Public safety:				
Sheriff's office	$ 3,675,336	$ 3,508,041	$ 3,508,041	$ -
Jail operations	2,873,995	2,805,969	2,805,244	725
Correctional institute	3,165,332	2,894,429	2,894,429	-
Coroner	45,301	56,301	46,345	9,956
E911	127,359	136,359	136,113	246
Animal control	43,634	45,634	42,033	3,601
Humane society	50,000	50,000	50,000	-
Emergency management	102,988	106,161	106,161	-
Emergency reponse & operations	-	126,362	126,362	-
Total public safety	10,083,945	9,729,256	9,714,728	14,528
Public works:				
Public works department	1,217,094	1,124,594	1,085,635	38,959
Landfill closure/post-closure	159,454	152,958	152,958	-
Total public works	1,376,548	1,277,552	1,238,593	38,959
Health and welfare:				
Public health	243,812	243,812	242,387	1,425
Public welfare	19,750	19,750	16,950	2,800
Community service	2,000	2,100	2,017	83
Senior Citizens Center	2,750	2,750	2,500	250
Total health and welfare	268,312	268,412	263,854	4,558
Culture and recreation:				
Recreation	1,049,461	1,014,461	937,554	76,907
Libraries	125,250	125,250	125,000	250
Total culture and recreation	1,174,711	1,139,711	1,062,554	77,157
Housing and development:				
County agent's office	123,468	129,573	129,573	-
Forest resources	19,858	19,858	19,608	250
Building inspection	63,812	61,312	58,419	2,893
Planning and zoning	150,229	137,229	127,482	9,747
Code enforcement	74,050	24,050	6,429	17,621
Economic Development	48,000	38,000	38,000	-
Airport	35,716	36,204	36,204	-
Total housing and development	515,133	446,226	415,715	30,511
Capital outlay:				
General government	53,311	53,311	35,649	17,662
Public safety	28,590	28,590	18,085	10,505
Public works	28,000	28,000	7,649	20,351
Housing and development	5,800	5,800	2,369	3,431
Total capital outlay	115,701	115,701	63,752	51,949
Total expenditures	18,782,325	18,528,688	18,212,634	316,054
Excess of revenues over expenditures	(1,602,547)	(1,348,910)	(116,583)	1,232,327

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

(Continued)

SUMTER COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Other financing sources (uses):				
Proceeds from sale of assets	266,000	266,000	38,798	(227,202)
Transfers in	283,228	283,228	178,453	(104,775)
Transfers out	(100,000)	(353,637)	(353,637)	-
Total other financing sources (uses)	449,228	195,591	(136,386)	(331,977)
Net change in fund balances	(1,153,319)	(1,153,319)	(252,969)	900,350
Fund balance, beginning of year	5,917,882	5,917,882	5,917,882	-
Fund balance, end of year	$ 4,764,563	$ 4,764,563	$ 5,664,913	$ 900,350

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, 2018

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Insurance premiums tax	$ 358,558	$ 358,558	$ 358,558	$ -
Charges for services	1,074,000	1,074,000	1,112,508	38,508
Interest	300	300	1,212	912
Other revenues	500	500	19,669	19,169
Total revenues	1,433,358	1,433,358	1,491,947	58,589
Expenditures:				
Current:				
Public safety:				
County fire department	1,237,568	1,237,568	1,180,224	57,344
Capital outlay	55,000	35,000	18,825	16,175
Total public safety	1,292,568	1,272,568	1,199,049	73,519
Debt service:				
Principal	331,932	331,932	331,932	-
Interest	62,667	62,667	62,666	1
Total debt service	394,599	394,599	394,598	1
Total expenditures	1,687,167	1,667,167	1,593,647	73,520
Excess of revenues over expenditures	(253,809)	(233,809)	(101,700)	132,109
Other financing sources (uses):				
Sale of Assets	20,000	20,000	4,282	(15,718)
Transfers out	(35,000)	(55,000)	(51,255)	3,745
Total other financing sources (uses)	(15,000)	(35,000)	(46,973)	(11,973)
Net change in fund balances	(268,809)	(268,809)	(148,673)	120,136
Fund balance (deficit), beginning of year	653,245	653,245	653,245	-
Fund balance (deficit), end of year	$ 384,436	$ 384,436	$ 504,572	$ 120,136

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

SUMTER COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Major Enterprise Fund Solid Waste Management
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 850,942
Investments	735,000
Accounts receivable, net of allowances	223,242
Due from General fund	60,624
Total current assets	1,869,808
Total assets	1,869,808
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	92,182
Total current liabilities	92,182
Total liabilities	92,182
NET POSITION	
Unrestricted	1,777,626
Total net position	$ 1,777,626

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, 2018

	Major Enterprise Fund Solid Waste Management
OPERATING REVENUES	
Charges for services:	
Solid waste collection fees	$ 1,280,524
Interest	4,847
Late payment penalties and fees	180
Total operating revenues	1,285,551
OPERATING EXPENSES	
Contracted services	1,089,911
Other Exepnses	192
Refunds	1,740
Total operating expenses	1,091,843
Operating income	193,708
TRANSFERS	
Transfers out	(99,250)
Total transfers	(99,250)
Change in net position	94,458
NET POSITION, beginning of year	1,683,168
NET POSITION, end of year	$ 1,777,626

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, 2018

	Major Enterprise Fund Solid Waste Management
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 1,289,159
Late payment penalties and fees collected from customers	180
Payments to suppliers and service providers	(1,089,644)
Net cash provided by operating activities	199,695
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of certificates of deposit	(1,430,000)
Redemention of certificates of deposit	1,185,000
Interest Revenues	4,847
Net cash provided by investing activities	(240,153)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Advances to General Fund	(83,905)
Transfers to other funds	(99,250)
Net cash provided by noncapital financing activities	(183,155)
Net increase in cash and cash equivalents	(223,613)
Cash and cash equivalents:	
Beginning of year	1,074,555
End of year	$ 850,942
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 193,708
Adjustments to reconcile operating income to net cash provided by operating activities:	
Interest revenues	(4,847)
Decrease in accounts receivable	8,636
Increase in accounts payable	2,198
Net cash provided by operating activities	$ 199,695

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

SUMTER COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2017

	Agency Funds
ASSETS	
Cash	$ 1,239,851
Due from other governments	75,909
Total assets	$ 1,315,760
LIABILITIES	
Due to others	1,315,760
Total liabilities	$ 1,315,760

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 unit is a discretely presented component unit to emphasize that is 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, 2018.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Major governmental funds (continued)

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 **Capital Projects Funds** are used to account for the acquisition or construction of capital facilities. Revenues and expenditures of the Local Maintenance and Improvement Grant Program (LMIG) will be accounted for in the Road Department Fund.

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's 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, and the Public Defender.

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 fund 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 a 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, franchise taxes, charges for services, federal and state grants and investment earnings. All other revenue items are considered to be measurable and available only when cash is received by the County.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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. Budgetary control (the level at which expenditures may not legally exceed appropriations) is exercised at the department level or by projects. The Board of Commissioners must approve, by amendment, any departmental level changes to a previously adopted budget. The Board of Commissioners must approve transfers of any salary related items.

E. Cash and Investments

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

The County's investment policy and State statutes authorize the County to invest in bank and savings and loan certificates of deposit; obligations of the State of Georgia or other states; obligations issued

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash and Investments (continued)

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 major fund balance sheets, these receivables and payables are classified as "due from other funds" and "due to other funds."

G. Inventories

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used. Inventories consist of supplies and signs used by the public works department.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

I. 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. For infrastructure projects, the County does not have a policy defining a capital addition in dollar terms. The policy with respect to infrastructure is that capitalized major outlays would be on a project-by-project basis and would include road widening or lengthening involving replacement of the road bed, or complete bridge rebuilding including replacement of bridge deck. Even though road resurfacing may be quite expensive, they are normally considered routine and would not extend the useful life of the road.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets (continued)

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	20 - 50
Machinery and equipment	3 - 10
Infrastructure	20 - 50

J. 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 other than items related to changes in the net pension liability (see Note K. below).

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 not received within 60 days of year end. These amounts are deferred and recognized as an inflow of resources in the period that they become available. The governmental funds balance sheet and the government wide statement of net position will report deferred inflows of resources for unearned revenues. The County reports unearned grant revenues from transactions in which resources have been received before time requirements are met.

K. Net Pension Liability and Pension Expense

"Net pension liability" is the amount by which the total pension liability exceeds the fiduciary's net position available for paying benefits. Calculations are made by the Plan actuary based upon employee data, financial information and plan provisions provided by the County and other persons or organizations designated by the County. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows or resources related to pensions, and pension expense, information about the fiduciary net position of the Sumter County Defined Benefit Plan (the Plan) and additions to or deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reposted at fair value.

The Plan actuaries produce an annual financial report that contains information necessary to make adjustments to the County's Government-Wide financial statements in accordance with GASB Statement 68. The report includes certain changes in the net pension liability which are to be recognized

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Net Pension Liability and Pension Expense (continued)

as pension expense over time. The following items are reported as deferred outflows or deferred inflows of resources: employer contributions made to the pension plan subsequent to the measurement date (will be recognized as reduction to the County's net pension liability in the following year); assumption changes are amortized into pension expense over the average expected remaining service lives of the plan members; differences between projected investment return on pension investments and actual return; experience gains or losses that result from periodic studies by the actuary for certain trend information that was previously assumed, for example the assumed rates of retirement of plan members.

L. 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 when applicable 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.

M. Long-Term Obligations

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

N. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

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

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

Net Position - Net position represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position are reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

O. 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 August 9, 2017, billed on September 27, 2017, and payable on or before December 1, 2017, after which date the bill becomes delinquent and the applicable property is subject to lien and assessed penalties and interest.

P. Use of Estimates

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

NOTE 2. LEGAL COMPLIANCE — BUDGETS

A. Budgets and Budgetary Accounting

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

1. Prior to May 1, the Department Heads submit to the County Administrator a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The proposed budgets are then submitted to the Board of Commissioners by the County Administrator for study.
2. Public hearings are conducted at the County Courthouse to obtain taxpayer comments.
3. Prior to July 1, the budget is legally adopted by the Board of Commissioners.
4. Budget amounts can be transferred between line items within any department; however, any revisions of the budget must be approved by the Board of Commissioners.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for all funds. Annual appropriated budgets are legally adopted for the General Fund, Fire fund, Capital Improvements Fund, and Special Revenue Funds. Annual operating budgets are prepared for each Capital Projects Fund and Enterprise Fund for planning, control, and evaluation purposes.

Budgeted amounts are as originally adopted on June 20, 2017, or as amended by the Board of Commissioners. The millage rate for 2017 for the unincorporated areas, incorporated areas, and the City of Americus District was set at the August 9, 2017 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, 2018.

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.

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, 2018, 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 $1,302,741 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.

The County's investments consist of four Certificates of Deposit each $245,000 at separate banks with FDIC with varying maturities of between three and six months. All are stated at cost.

NOTE 4. RECEIVABLES

Receivables at June 30, 2018, 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	$ 1,431,420	$ -	$ -	$ -	$ -	$1,431,420
Fire fees	-	384,227	-	-	-	384,227
Intergovernmental:						
Sales tax	159,712	-	311,331	72,226	-	543,269
Other	614,084	-	-	-	162,759	776,843
Accounts	43,740	1,425	-	-	-	45,165
Gross receivables	2,248,956	385,652	311,331	72,226	162,759	3,180,924
Less: Allowance for uncollectible	(420,105)	(108,701)				(528,806)
Net Receivables	$ 1,828,851	$276,951	$311,331	$ 72,226	$162,759	$2,652,118

General property taxes includes only the County's portion of real and personal property taxes for years 1998 through 2017 which were unpaid at June 30, 2018. Property taxes, fire fees and solid waste collection fees collected during the year ended June 30, 2018, and collected by August 31, 2018, are recognized as revenues in the year ended June 30, 2018. 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 fund, including the applicable allowances for uncollectible accounts, are as follows:

	Solid Waste Management
Solid Waste fees receivable	$ 313,472
Less: Allowance for uncollectible	(90,230)
Net Receivable	$ 223,242

Allowance for uncollectible are estimates in the major, nonmajor and enterprise funds based on historical collection rates.

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2018, 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	2,892,922	1,163,474	-	(1,913,825)	2,142,571
Total capital assets, not being depreciated	3,862,790	1,163,474	-	(1,913,825)	3,112,439
Capital assets, being depreciated:					
Site improvements	488,113	249,951	-	-	738,064
Buildings	45,108,942	1,126,880	-	-	46,235,822
Equipment	15,348,664	543,601	(935,747)	38,182	14,994,700
Infrastructure	48,587,312	-	-	1,875,643	50,462,955
Total capital assets, being depreciated	109,533,031	1,920,432	(935,747)	1,913,825	112,431,541
Less accumulated depreciation for:					
Site improvements	122,341	19,591	-	-	141,932
Buildings	9,975,923	896,309	-	-	10,872,232
Equipment	11,252,488	1,603,621	(935,747)	-	11,920,362
Infrastructure	26,806,916	778,425	-	-	27,585,341
Total accumulated depreciation	48,157,668	3,297,946	(935,747)	-	50,519,867
Total capital assets, being depreciated, net	61,375,363	(1,377,514)	-	1,913,825	61,911,674
Governmental activities capital assets, net	$65,238,153	$ (214,040)	$ -	$ -	$ 65,024,113

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

Governmental activities:	
General government	$ 687,196
Judicial	4,630
Public safety	1,243,832
Public works	1,197,841
Culture & recreation	115,595
Housing & development	48,852
Total depreciation expense – governmental activities	$ 3,297,946

Net investment in Capital Assets in the Statement of Net Position is as follows:

Governmental activities capital assets, net	$65,024,113
Capital lease balances outstanding	(2,452,780)
Sales Tax Bonds balances outstanding	(7,265,395)
City of Americus portion of Sales Tax Bonds	2,527,122
Net Investment in Capital Assets	$57,833,060

The City of Americus received $4,000,000 of the $11,500,000 Sale Tax Bonds or 34.783%. Sales Tax Bonds Payable is reduced for the amount of the bonds to be paid by the City of Americus.

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	$ 6,371	-	$ 37,360
Total capital assets, being depreciated	30,989	6,371	-	37,360
Less accumulated depreciation for:				
Machinery & equipment	28,090	1,037	-	29,127
Total accumulated depreciation	28,090	1,037	-	29,127
Total capital assets, net	$ 2,899	$ 5,334	-	$ 8,233

NOTE 6. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	$8,835,000	$ -	$ (2,090,000)	$6,745,000	$ 2,155,000
Original issue premium	728,667	-	(208,272)	520,395	208,272
Capital leases	2,933,466	-	(480,686)	2,452,780	393,085
Compensated absences	375,083	362,394	(357,173)	380,304	380,304
Landfill post-closure care costs	313,218	23,216	(32,929)	303,505	62,304
Net pension obligation	2,023,312	806,786	-	1,216,526	-
Governmental activities long-term liabilities	$ 15,208,746	$ 664,980	$ (3,141,278)	$15,208,746	$3,198,965

Component Unit – Health Department:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 69,829	$ 19,522	$ (22,809)	$ 66,542	$ 21,836

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

Capital Leases. The County has entered into five lease/purchase agreements as lessee for financing the acquisition of buildings, vehicles, road 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	$ 3,987,654	$ 2,328,997
Total assets under capital lease	$ 3,987,654	$ 2,328,997

NOTE 6. LONG-TERM DEBT (continued)

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, 2018:

Year Ending June 30,	
2019	$ 448,158
2020	394,598
2021	394,598
2022	394,598
2023	394,598
2024-2025	624,780
Total minimum lease payments	2,651,330
Less: amount representing interest	(198,550)
Present value of future minimum lease payments	$ 2,452,780

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, 2018 the outstanding balance of bonds was $6,745,000.

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. As of June 30, 2018 the unamortized premium was $520,395.

The annual requirements to amortize the bonds as of June 30, 2018 are as follows

Year ending June 30	Principal	Interest	Total
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	$ 6,745,000	$ 505,100	$ 7,250,100

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, 2018, the County has a remaining 11 years of monitoring. Engineering studies estimate post-closure costs of approximately $1,192,087 over the 11-year period. These costs are based on what it would cost to perform all post-closure care in 2018, 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 11 year period would be $303,505.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund receivables and payables as of June 30, 2018, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	C.H.I.P. 2013	$ 88
General Fund	C.H.I.P. 2014	88
General Fund	Fire Fund	7,656
Solid Waste	General Fund	60,624
Capital Improvement Fund	Fire Fund	12,850
TSPLOST	General Fund	4,893
2014 SPLOST	2007 SPLOST	5,666
Law Library Fund	General Fund	75
		$ 91,940

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 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	$ 99,250
General Fund	Fire Fund	35,000
General Fund	TSPLOST	35,000
General Fund	Social Security Fee Fund	9,203
Road Department Fund	General Fund	353,637
		$ 532,090

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 transfers from the Solid Waste Fund, TSPLOST Fund, and Fire Fund to the General Fund were for administrative services provided by the General Fund. Transfers to the Capital Improvement Fund from the Fire Fund were to provide capital funds to construct a fire tower. Transfers to the Road Department fund from the General Fund were to provide funds for Local Maintenance and Improvement Grant Program (LMIG) projects. Transfer from the Social Security Fee Fund to the General Fund was for fees received from the Social Security Administration for housing jail inmates.

NOTE 8. FUND BALANCE

At June 30, 2018, 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 Fund	Total Governmental Funds
FUND BALANCES							
Nonspendable							
Inventories	$ 27,396	$ -	$ -	$ -	$ -	$ -	$ 27,396
Total Nonspendable	27,396	-	-	-	-	-	27,396
Restricted for:							
Judicial:							
Law Library	-	-	-	-	-	17,266	17,266
Victim Witness Assistance	-	-	-	-	-	1,276	1,276
Drug Court	-	-	-	-	-	10,684	10,684
Public Safety							
Sheriff operations (forfeiture funds)	-	-	-	-	-	131,728	131,728
Sheriff's discretion	-	-	-	-	-	6,101	6,101
Drug treatment & education	-	-	-	-	-	91,185	91,185
Fire protection	-	504,572	-	-	-	-	504,572
Jail Fund	-	-	-	-	-	341,080	341,080
Capital Projects	-	-	647,586	969,669	2,138,193	1,004,076	4,759,524
Debt Service	-	-	-	-	1,302,741	-	1,302,741
Total Restricted	-	504,572	647,586	969,669	3,440,934	1,603,396	7,166,157
Committed for:							
Public Safety							
Correctional Institute inmates	-	-	-	-	-	167,612	167,612
Jail inmates	-	-	-	-	-	44,946	44,946
Total Committed	-	-	-	-	-	212,558	212,558
Unassigned	5,637,517	-	-	-	-	-	5,637,517
Total Fund Balances	$ 5,664,913	$ 504,572	$ 647,586	$ 969,669	$ 3,440,934	$ 1,815,954	$ 13,043,628

NOTE 9 – 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 (five years of service for employees with a date of hire or rehire on or after January 1,2015). The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The plan is administered through the Association County Commissioners of Georgia Third Restated Defined Pension Plan (the ACCG Plan) an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association County Commissioners of Georgia (ACCG). 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. The county commission retains their authority.

NOTE 9 – DEFINED BENEFIT PENSION PLANS (continued)

A. Primary Government(continued)

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.

Plan Membership
As of January 1, 2017, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retirees, beneficiaries and disabled currently receiving benefits	36
Terminated plan participants entitled to but not receiving benefits	110
Active employees participating in the Plan	150
Total number of Plan Participants	296

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, 2018, the County's contribution rate was 16.3% of annual payroll. County contributions to the Plan were $824,623 for the year ended June 30, 2018.

The County's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017.

Actuarial Assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	4.0% - 5.5%, per year based on an age
Investment rate of return	7.25 % per year

Mortality rates were based on the RP-2000 projected with Scale AA to 2018 Combined Healthy Mortality Table.

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for through February 2014.

NOTE 9 – DEFINED BENEFIT PENSION PLANS (continued)

A. Primary Government (continued)

Net Pension Liability of the County

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block approach based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as the forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. Expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	30%	25 - 35%
Large cap equity	30%	25 - 35%
International equity	15%	10 - 20%
Other equity	20%	2.5 - 10%
REIT	5%	2.5 - 10%
	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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, 2018, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2017	$ 4,927,102	$ 2,903,790	$ 2,023,312
Changes for the year:			
Service cost	166,944	-	166,944
Interest	353,608	-	353,608
Liability experience (gain) / loss	(52,184)	-	(52,184)
Assumption Change	14,077	-	14,077
Contributions - employer	-	824,623	(824,623)
Net investment income	-	527,471	(527,471)
Benefit payments	(99,505)	(99,505)	-
Administrative expense	-	(26,933)	26,933
Other charges	-	(35,930)	35,930
Net changes	382,940	1,189,726	(806,786)
Balances at June 30, 2018	$ 5,310,042	$ 4,093,516	$ 1,216,526

NOTE 9 – DEFINED BENEFIT PENSION PLANS (continued)

A. Primary Government (continued)

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.

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	$ 2,043,019	$ 1,216,526	$ 540,859

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, 2017 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the County recognized pension expense of $389,486. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on pension plan investments	$ 83,730	$ (219,824)
Difference between projected and actual pension liability	135,886	(43,339)
Pension assumption changes	212,249	-
	$ 431,865	$ (263,163)

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2019	$ 58,763
2020	58,763
2021	24,937
2022	3,159
2023	23,080
	$ 168,702

NOTE 9 – DEFINED BENEFIT PENSION PLANS (continued)

B. Discretely Presented 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, 2018, were $95,049 based on qualifying salaries of $376,959. Ten year historical trend information and relevant actuarial information may be obtained from the Employees Retirement System of Georgia.

NOTE 10. OTHER RETIREMENT PLANS

The County participates in the Association of County Commissioners of Georgia 401(a) Defined Contribution Plan (the Plan) which is administered by GEBCorp. The Plan provides retirement benefits to plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the County. Employees are not required to contribute to the Plan.

The County contributes an amount equal to 50% of the amount contributed by participants to the County's deferred compensation plan (457(b)), with a maximum match from the County of 3% of the participant's annual compensation. In addition to the County employee's matching pension plan, a Resolution was adopted in November, 2011, to also have a separate Defined Contribution Program for Senior Management. This plan is exclusively for the County Administrator position and the matching rate is 7-1/2%. The resolution excludes Senior Management from participation in the Defined Benefit Plan. The County's contribution for each employee is 100% vested after five (5) years of continuous service. For the year ended June 30, 2018, the County's contribution to the plan was $100,562. The amount contributed by employees was $237,915.

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 11. OTHER POST-EMPLOYMENT BENEFITS

A. Discretely Presented Component Unit – Department of Public Health

Eligible employees of the Sumter County Health Department are provided OPEB through the State of Georgia OPEB Fund, a cost-sharing multiple employer defined benefit post-employment healthcare plan and life insurance through the SEAD-OPEB Fund, a cost-sharing multiple-employer defined benefit other post-employment benefit plan. During the current fiscal year, the department contributed $63,822. At the end of the current fiscal year, the Department reported a net liability in the amount of $536,069 for its proportionate share (0.014517% for the State of Georgia OPEB Fund and 0.021309% for the SEAD-OPEB Fund) of the net OPEB liability. The Department recognized OPEB expense of $9,612 for the current fiscal year.

Further information regarding the plans can be obtained from Department's annual audit report by contacting the Sumter County Health Department, 1601 N. Martin Luther King, Jr Blvd. Suite 100, Americus, Georgia 31719.

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. One of which the county has appealed. Legal counsel believes it has a good chance of prevailing in the case. If the county was to lose, it would responsible for paying Plaintiff's attorney's fees, which are loosely estimated to be in the range of $1,000,000. Regarding the other lawsuits, liability, if any, which might result from the proceedings, would not, in the opinion of management and legal counsel, have 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, 2018, the County paid $13,205 in such dues. Membership in the River Valley Regional Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional commissions in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional commission. Separate financial statements may be obtained from: River Valley Regional Commission, 228 West Lamar Street, Americus, Georgia 31709.

Americus/Sumter County Airport Authority

The Americus/Sumter County Airport Authority (the "Airport Authority") is comprised of five board members; two appointed by the County, two appointed by the City, and one joint appointment. The County allocated to the Airport Authority $35,716 during the year to assist with general operating expenses. The County governing body does not approve the budget nor does it have any oversight of the day to day operations of the Airport Authority. The Airport Authority was established to buy, sell, and own property. Separate financial statements may be obtained from: Americus/Sumter County Airport Authority, 223 Southerfield Road, Americus, GA 31719.

Middle Flint Regional E-911 Authority

The Middle Flint Regional E-911 Authority (the "E-911 Authority") is comprised of nine board members; two appointed by the Sumter County and the remaining seven appointed by the other representative counties. The County allocated to the E-911 Authority $136,113 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, Talbot, 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 Americus-Sumter County Hospital Authority, the Americus-Sumter County Land Bank Authority, the Americus-Sumter County Airport Authority, the Sumter County Development Authority, the Schley-Sumter-Macon-Webster Joint Development Authority, and the Crisp-Sumter Joint Development Authority.

NOTE 16. SUBSEQUENT EVENTS

Clean up from the Hurricane Michael the affected the area on October 13, 2018 is ongoing and total net-cost is unknown as of February 19, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

SUMTER COUNTY, GEORGIA

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

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 166,944	$ 168,936	$ 143,690	$ 130,437
Interest on total pension liability	357,215	312,756	273,818	247,613
Changes in assumptions	14,077	173,298	148,150	-
Benefit payments, including refunds of employee contributions	(103,112)	(84,983)	(69,278)	-
Liability experience gain / (loss)	(52,184)	144,522	65,293	(57,323)
Change in total pension liability	382,940	714,529	561,673	320,727
Total pension liability - beginning	4,927,102	4,212,573	3,650,900	3,330,173
Total pension liability - ending (a)	$ 5,310,042	$ 4,927,102	$ 4,212,573	$ 3,650,900
Plan fiduciary net position				
Contributions - employer	824,623	369,234	282,600	264,235
Net investment income	527,471	180,333	22,605	153,633
Benefit payments, including refunds of employee contributions	(99,505)	(84,983)	(66,774)	(57,323)
Administrative expenses	(26,933)	(31,130)	(26,186)	(25,307)
Other	(35,930)	(34,172)	(33,990)	(30,268)
Net change in plan fiduciary net position	1,189,726	399,282	178,255	304,970
Plan fiduciary net position - beginning	2,903,790	2,504,508	2,326,253	2,021,283
Plan fiduciary net position - ending (b)	$ 4,093,516	$ 2,903,790	$ 2,504,508	$ 2,326,253
County's net pension liability - ending (a) - (b)	$ 1,216,526	$ 2,023,312	$ 1,708,065	$ 1,324,647
Plan fiduciary net position as a percentage of the total pension liability	77.09%	58.94%	59.45%	63.72%
Covered compensation for active employees	$ 5,054,815	$ 5,210,063	$ 4,851,580	$ 4,734,902
County's net pension liability as a percentage of covered-employee payroll	24.07%	38.83%	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

	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 369,621	$ 369,234	$ 282,600	$ 264,235	$ 258,635
Contributions in relation to the actuarially determined contribution	824,623	369,234	282,600	264,235	258,635
Contribution deficiency / (excess)	$ (455,002)	$ -	$ -	$ -	$ -
Covered employee payroll	$ 5,054,815	$ 5,210,063	$ 4,851,580	$ 4,734,902	$ 5,127,082
Contributions as a percentage of covered payroll	16.31%	7.09%	5.82%	5.58%	5.04%

Notes to the Schedule

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry age normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return on Investments	7.25%
Projected Salary Increases	3.00% - 5.50% based on age
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization period	17.2 years

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 receipts from sales of calendars and other special revenues for the Sheriff's Department.

Social Security Fees Fund is used to account for receipt of commissions from the Social Security Administration for housing jail inmates.

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.

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 Court Fund is used to account for the receipt of grant funds for use in management and supervisory personnel and expenses for the operation of the Drug Court in the Southwestern Judicial Circuit.

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).

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.

Jail Fund is used to account for the receipt of fine surcharges and the expenditure of those fines for jail maintenance and operation in accordance with Georgia Jail Construction and Staffing Act.

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.

Road Department Fund is used to account for the collection of special revenues including the Local Maintenance and Improvement Grant Program (LMIG) and the construction of road projects.

The **Capital Improvements Fund** is used to account for the acquisition or construction of capital facilities.

SUMTER COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue													Capital Projects			
	Sheriffs Forfeiture Recovery	Sheriff's Discretionary Fund	Social Security Fees	Victim and Witness Assistance	Law Library	2013 CHIP Housing Rehabilitation	2014 CHIP Housing Rehabilitation	2014 CDBG Housing Rehabilitation	Drug Court Fund	Drug Abuse Treatment and Education	Correctional Institute Commissary	Jail Commissary	Jail Fund	2004 SPLOST	Road Department Fund	Capital Improvement Fund	Total
ASSETS																	
Cash and cash equivalents	$ 131,728	$ 6,101	$ -	$ 7,696	$ 14,222	$ 88	$ 88	$ -	$ 92	$ 90,637	$ 163,287	$ 43,322	$ 338,472	$ 32,047	$ 618,415	$ 348,828	$1,795,023
Notes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	75	-	-	-	-	-	-	-	-	-	-	12,850	12,925
Due from other governments	-	-	-	90,639	2,969	-	-	-	22,713	548	31,424	11,858	2,608	-	-	-	162,759
Total assets	$ 131,728	$ 6,101	$ -	$ 98,335	$ 17,266	$ 88	$ 88	$ -	$ 22,805	$ 91,185	$ 194,711	$ 55,180	$ 341,080	$ 32,047	$ 618,415	$ 361,678	$1,970,707
LIABILITIES AND FUND BALANCES																	
LIABILITIES																	
Accounts payable	$ -	$ -	$ -	$ 97,059	$ -	$ -	$ -	$ -	$ 12,121	$ -	$ 27,099	$ 10,234	$ -	$ -	$ -	$ 8,064	$ 154,577
Due to other funds	-	-	-	-	-	88	88	-	-	-	-	-	-	-	-	-	176
Total liabilities	-	-	-	97,059	-	88	88	-	12,121	-	27,099	10,234	-	-	-	8,064	154,753
FUND BALANCES (DEFICIT)																	
Nonspendable for:																	
Noncurrent loans receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted for:																	
Judicial	-	-	-	1,276	17,266	-	-	-	10,684	-	-	-	-	-	-	-	29,226
Public safety	131,728	6,101	-	-	-	-	-	-	-	91,185	-	-	341,080	-	-	-	570,094
Housing and development	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	32,047	618,415	353,614	1,004,076
Committed for:																	-
Public safety	-	-	-	-	-	-	-	-	-	-	167,612	44,946	-	-	-	-	212,558
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Total fund balances (deficit)	131,728	6,101	-	1,276	17,266	-	-	-	10,684	91,185	167,612	44,946	341,080	32,047	618,415	353,614	1,815,954
Total liabilities and fund balances	$ 131,728	$ 6,101	$ -	$ 98,335	$ 17,266	$ 88	$ 88	$ -	$ 22,805	$ 91,185	$ 194,711	$ 55,180	$ 341,080	$ 32,047	$ 618,415	$ 361,678	$1,970,707

SUMTER COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue													Capital Projects			
	Sheriffs Forfeiture Recovery	Sheriff's Discretionary Fund	Social Security Fees	Victim and Witness Assistance	Law Library	2013 CHIP Housing Rehabilitation	2014 CHIP Housing Rehabilitation	2014 CDBG Housing Rehabilitation	Drug Abuse Treatment and Education	Drug Court Fund	Correctional Institute Commissary	Jail Commissary	Jail Fund	2004 SPLOST	Road Department Fund	Capital Improvement Fund	Total
Revenues:																	
Intergovernmental	$ -	$ -	$ -	$ 279,710	$ -	$ -	$ 136,865	$ 301,444	$ -	$ 70,361	$ -	$ -	$ -	$ -	$ 696,427	$ -	$1,484,807
Charges for service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	64	-	-	22,024	11,481	-	-	-	17,218	-	-	-	72,266	-	-	-	123,053
Interest income	108	8	3	43	38	-	-	-	130	-	125	58	465	64	1,535	617	3,194
Other revenues	94,287	17,817	8,000	-	-	-	-	-	-	-	332,233	115,311	-	-	-	-	567,648
Total revenues	$ 94,459	$ 17,825	$ 8,003	$ 301,777	$ 11,519	$ -	$ 136,865	$ 301,444	$ 17,348	$ 70,361	$ 332,358	$ 115,369	$ 72,731	$ 64	$ 697,962	$ 617	$2,178,702
Expenditures:																	
Current:																	
General Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	305,138	32,285	-	-	-	-	59,679	-	-	-	-	-	-	397,102
Public safety	19,236	13,316	-	-	-	-	-	-	12,799	-	296,661	102,786	-	-	-	-	444,798
Public works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	161,940	23,688	-	-	-	-	-	-	-	-	185,628
Capital outlay																	
General Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,889	21,889
Judicial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	202	202
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76,554	76,554
Public works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,030,840	-	1,030,840
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,798	10,798
Housing and development	-	-	-	-	-	-	-	281,844	-	-	-	-	-	-	-	-	281,844
Debt service:																	
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	19,236	13,316	-	305,138	32,285	-	161,940	305,532	12,799	59,679	296,661	102,786	-	-	1,030,840	109,443	2,449,655
Excess (deficiency) of revenues over (under) expenditures	75,223	4,509	8,003	(3,361)	(20,766)	-	(25,075)	(4,088)	4,549	10,682	35,697	12,583	72,731	64	(332,878)	(108,826)	(270,953)
Other financing sources (uses):																	
Transfers in / (out)	-	-	(9,203)	-	-	-	-	-	-	-	-	-		-	353,637	16,255	360,689
Total other financing sources (uses)	-	-	(9,203)	-	-	-	-	-	-	-	-	-	-	-	353,637	16,255	360,689
Net change in fund balances	75,223	4,509	(1,200)	(3,361)	(20,766)	-	(25,075)	(4,088)	4,549	10,682	35,697	12,583	72,731	64	20,759	(92,571)	89,736
Fund balances, beginning of year	56,505	1,592	1,200	4,637	38,032	-	25,075	4,088	86,636	2	131,915	32,363	268,349	31,983	597,656	446,185	1,726,218
Fund balances (deficit), end of year	$ 131,728	$ 6,101	$ -	$ 1,276	$ 17,266	$ -	$ -	$ -	$ 91,185	$ 10,684	$ 167,612	$ 44,946	$ 341,080	$ 32,047	$ 618,415	$ 353,614	$1,815,954

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
2004 SPLOST
FOR THE YEAR ENDED JUNE 30, 2018

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	15,896,101	-	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	170,329	-	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	$ 21,527,416	$ -	$ 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, 2018

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	1,126,880	2,581,876
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	1,872,700	5,740	1,878,440
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	2,122,878	-	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	342,598	-	342,598
Desoto	310,000	310,000	311,529	-	311,529
Leslie	551,000	551,000	468,978	-	468,978
Plains	342,712	342,712	371,494	-	371,494
Interest and project management	-	-	1,413,536	-	1,413,536
	$ 25,400,000	$ 25,400,000	$ 22,400,526	$ 1,132,620	$ 23,533,146

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
2014 SPLOST
FOR THE YEAR ENDED JUNE 30, 2018

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Roads, streets, bridges, infrastructure	$ 4,000,000	$ 4,000,000	$ 2,576,034	$ 879,597	$ 3,455,631
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	980,129	341,000	1,321,129
Parks & Recreation renovation & construction	1,075,000	1,075,000	-	400,908	400,908
Economic development infrastructure	500,000	500,000	-	128,547	128,547
Technology servers & computers	350,000	350,000	187,455	119,466	306,921
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	5,619,066	764,974	6,384,040
Andersonville	144,000	144,000	55,911	22,390	78,301
Desoto	127,000	127,000	48,811	19,546	68,357
Leslie	146,000	146,000	56,799	22,745	79,544
Plains	279,774	279,774	108,273	43,358	151,631
Interest and project management	-	-	1,372,796	350,026	1,722,822
	$ 23,000,000	$ 23,000,000	$ 14,511,683	$ 3,092,557	$ 17,604,240
	Repayment of principal on debt. Proceeds included in projects above.			2,090,000	
	Total 2014 SPLOST Fund expenditures			$ 5,182,557	

SUMTER COUNTY,GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
14b-y-129-1-5698
PROJECT COST SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

Program Activity	Activity Number	Revised Budget	Expenditures		
			Prior Years	Current Year	Total
Acquisition of Property (Public)	P-001-01	$ 9,964.29	$ 7,964.29	$ 2,000.00	$ 9,964.29
Clearance	H-004-00	9,200.00	-	7,200.00	7,200.00
Street Improvements	P-03K-01	344,882.14	79,534.35	267,347.79	346,882.14
Flood and Drainage Facilities	P-03K-02	150,333.00	137,836.70	12,496.20	150,332.90
Engineering - Street Improvements/Flood & Drainage	T-03K-01	29,692.00	29,692.00		29,692.00
Engineering - Street Improvements/Flood & Drainage	T-03K-02	18,012.00	18,012.00		18,012.00
Rehabilitation of Private Properties	H-14A-01	18,860.00	18,860.00		18,860.00
Reconstruction of Private Properties	H-14A-02	125,033.00	125,033.00		125,033.00
Administration	A-21A-00	56,000.00	41,500.00	14,500.00	56,000.00
		$ 761,976.43	$ 458,432.34	$ 303,543.99	$ 761,976.33

Notes: $2,000 from the Clearance line item was refunded to DCA in November, 2017. Not included in the above schedule

$38,023.57 was de-obligated from the original budget of $800,000

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, 2018

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	$ 466,528	$ 285,540	$ 801	$ 200	$ 118,106	$ 39,432	$ 45,031	$ 143,909	$ 57,512	$ 82,792	$ -	$ 1,239,851
Due from other governments	-	-	-	-	-	-	-	4,040	7,924	63,945	-	75,909
Total assets	$ 466,528	$ 285,540	$ 801	$ 200	$ 118,106	$ 39,432	$ 45,031	$ 147,949	$ 65,436	$ 146,737	$ -	$ 1,315,760
LIABILITIES												
Due to others	$ 466,528	$ 285,540	$ 801	$ 200	$ 118,106	$ 39,432	$ 45,031	$ 147,949	$ 65,436	$ 146,737	$ -	$ 1,315,760

SUMTER COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2018

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, 2017	$ 496,239	$ 379,514	$ 466	$ 14,241	$ 134,667	$ 22,400	$ 62,481	$ 130,531	$ 49,348	$ 104,188	$ 3	$ 1,394,078
Additions	29,243,383	870,668	66,664	354,990	533,313	189,317	354,357	30,119	314,085	664,553	-	32,621,449
Deductions	(29,273,094)	(964,642)	(66,329)	(369,031)	(549,874)	(172,285)	(371,807)	(16,741)	(305,921)	(685,949)	(3)	(32,775,676)
Balance June 30, 2018	466,528	285,540	801	200	118,106	39,432	45,031	143,909	57,512	82,792	-	1,239,851
Due from other governments												
Balance July 1, 2017	-	-	-	-	-	-	-	4,370	28,299	94,317	-	126,986
Additions	-	-	-	-	-	-	-	4,040	(28,299)	63,945		39,686
Deductions	-	-	-	-	-	-	-	(4,370)	7,924	(94,317)		(90,763)
Balance June 30, 2018	-	-	-	-	-	-	-	4,040	7,924	63,945	-	75,909
Total assets												
Balance July 1, 2017	496,239	379,514	466	14,241	134,667	22,400	62,481	134,901	77,647	198,505	3	1,521,064
Additions	29,243,383	870,668	66,664	354,990	533,313	189,317	354,357	34,159	285,786	728,498	-	32,661,135
Deductions	(29,273,094)	(964,642)	(66,329)	(369,031)	(549,874)	(172,285)	(371,807)	(21,111)	(297,997)	(780,266)	(3)	(32,866,439)
TOTAL ASSETS	$ 466,528	$ 285,540	$ 801	$ 200	$ 118,106	$ 39,432	$ 45,031	$ 147,949	$ 65,436	$ 146,737	$ -	$ 1,315,760
LIABILITIES												
Due to county												
Balance July 1, 2017	$ -	$ -	$ -	$ 500	$ 2,199	$ -	$ 528	$ -	$ -	$ -	$ -	$ 3,227
Additions	12,791,169	445,583	58,371	148,143	161,133	-	179	-	-	-	-	13,604,578
Deductions	(12,791,169)	(445,583)	(58,371)	(148,443)	(156,620)	-	(528)	-	-	-	-	(13,600,714)
Balance June 30, 2018	-	-	-	200	6,712	-	179	-	-	-	-	7,091
Amounts held for others												
Balance July 1, 2017	496,239	379,514	466	13,741	132,468	22,400	61,953	134,901	$ 77,647	198,505	$ 3	1,517,837
Additions	16,452,214	425,085	8,293	206,847	372,180	189,317	354,178	34,159	285,786	728,498	-	19,056,557
Deductions	(16,481,925)	(519,059)	(7,958)	(220,588)	(393,254)	(172,285)	(371,279)	(21,111)	(297,997)	(780,266)	(3)	(19,265,725)
Balance June 30, 2018	466,528	285,540	801	-	111,394	39,432	44,852	147,949	65,436	146,737	-	1,308,669
Total liabilities												
Balance July 1, 2018	496,239	379,514	466	14,241	134,667	22,400	62,481	134,901	77,647	198,505	3	1,521,064
Additions	29,243,383	870,668	66,664	354,990	533,313	189,317	354,357	34,159	285,786	728,498	-	32,661,135
Deductions	(29,273,094)	(964,642)	(66,329)	(369,031)	(549,874)	(172,285)	(371,807)	(21,111)	(297,997)	(780,266)	(3)	(32,866,439)
TOTAL LIABILITIES	$ 466,528	$ 285,540	$ 801	$ 200	$ 118,106	$ 39,432	$ 45,031	$ 147,949	$ 65,436	$ 146,737	$ -	$ 1,315,760

COMPLIANCE SECTION

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, 2018, 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 February 19, 2019. 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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2018-001, 2018-002, 2018-003, 2018-004, 2018-005]

Compliance and Other Matters

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

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.

Chambliss Hoggard Roland and Associates LLP

Americus, Georgia
February 19, 2019

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, 2018. Sumter County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Sumter County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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, 2018.

Report on Internal Control Over Compliance

The 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 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 our 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.

Chamblee Sheppard Roland and Associates LLP

Americus, Georgia
February 19, 2019

SUMTER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

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	C14-8-109 & C16-8-001	$ 63,221
Grant Program - DA VWAP	16.575	C15-8-374	21,800
Grant Program - DA VWAP	16.575	C16-8-2007	194,689
Total U.S. Department of Justice			279,710
U.S. Department of Housing and Urban Development:			
Passed-Through Department of Community Affairs:			
Community Housing Investment Program	14.239	2014-93	161,940
Community Development Block Grant	14.228	14b-y-129-1-5698	303,544
Total U.S. Department of Housing and Urban Development			465,484
U.S. Department of Homeland Security:			
Passed-Through Georgia Emergency Management Agency:			
Emergency Management Performance Grant - Performance Partnership Agreement	97.042	OEM-17-131	20,818
Disaster Grants - Public Assistance	97.036	FEMA-4338-DR-GA	99,068
Total U.S. Department of Homeland Security			119,886
Total Expenditures of Federal Awards			$ 865,080

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, 2018. The information in this schedule is presented in accordance with the requirements of the Title 2 *U. S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements.

2. Expenditures reported on this schedule are reported on the accrual basis of accounting. The determination of when an award is expended is based on when the activity related to the award occurred.

3 The County chose not to use the ten percent de minimis cost rate for the year ended June 30, 2018.

SUMTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

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?	___yes _X_no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_X_ yes ___none reported
Noncompliance material to financial statements noted?	___yes _X_no

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	___ yes _X_no
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	___ yes _X_none reported
Type of auditor's report issued on compliance for major programs	*unmodified*
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	____ yes _X_no

Identification of major programs:

CFDA Number	Name of Federal Program
14,228	CDBG – Community Development Block Grant/States Program and Non-Entitlement Grants in Hawaii

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

Auditee qualified as low-risk auditee? _X_ yes ___no

SUMTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Section II—Financial Statement Findings:

2018 - 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, 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.

2018 - 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, 2015. 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: Property tax was not accurately and completely disbursed for the year ended June 30, 2015. As of June 30, 2018, $54,549 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.

Section II—Financial Statement Findings (continued):

2018 - 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 and staff have received additional training and are working to get the books balanced and reconciled so that the funds can be accurately and promptly disbursed.

2018 - 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 will insure that the schedule of assets and depreciation is reviewed at least annually for completeness and accuracy. We plan to acquire new fixed asset computer software in the next fiscal year.

2018 - 004. Sheriff Department Inmate Funds, Fines and Bond Funds, and Confiscated Funds not balanced to supporting documentation

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

Condition: Detail records are incomplete causing the supporting documentation not to balance with funds on deposit in special accounts.

Cause: Bookkeeping errors over past years and failure to obtain or retain documentation.

Effect: The following accounts have shortage or overage at June 30, 2018:

	Account Balance	Total Records Detail	Difference Over / (Short)
Jail Inmate Personal Fund	$ 29,145	$ 36,655	($7,410)
State Court Fines	72,412	70,587	1,825
Confiscated Funds Account	43,971	20,963	23,008

Section II—Financial Statement Findings (continued):

2018 - 004. Sheriff Department Inmate Funds, Fines and Bond Funds, and Confiscated Funds not balanced to supporting documentation (continued)

Recommendation: The Board of Commissioners should authorize reimbursement to the Sheriff for shortage in the Inmate Personal Account Fund. The Sheriff should prepare a listing of old Inmate accounts for whom the Sheriff cannot locate and provide the list to the Superior Court Judge for release of those funds to the Board of Commissioners for use in the operation of the Sheriff's Department or the Jail. The Sheriff should order a thorough review of the funds on deposit in the Confiscated Funds Account and determine the cases the funds apply to and obtain orders from the Court for disposition or explanation to hold the funds. Procedures for managing the State Court Fines should include monthly reconciliation of funds on hand at month end after pay-outs.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The County Administrator and Finance Director will continue to encourage the Sheriff to resolve these issues and to validate the accuracy of the underlying documentation. The Sheriff will take action to prepare the recommended list of old inmate accounts and ask the Superior Court Judge to release those funds to the Board of Commissioners.

2018 - 005. Clerk of Courts funds were delayed being paid out and bank statements were not reconciled in a timely fashion.

Criteria: Funds held by the Clerk of Courts should be balanced and reconciled to detailed records and disbursed at the beginning of each month.

Condition: Checking accounts are not being reconciled in a timely manner, and funds are not being disbursed to the appropriate agencies and governments in a timely fashion.

Cause: Ineffective or lack of oversight by management.

Effect: Errors and fraudulent activity could occur in the Clerk of Court's managed cash accounts without being detected in a timely manner by management. Collections for April and May 2018, were not promptly disbursed. Bank reconciliations were not completed until January 2019, causing a delay in the completion of the audit.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The County Administrator and Finance Director will continue to encourage the clerk of courts to resolve these issues and to validate the accuracy of the underlying documentation.

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, 2018

Status of Prior Year Audit Findings

2017 - 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 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, and Probate Court.

Auditee Response/Status: Unresolved. This is included in current finding number 2018-001.

2017 - 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, 2015 due to difficulties encountered in computer software conversion. Unpaid property tax was not documented at conversion and year end reports for audit were delayed.

Auditee Response/Status: Unresolved. The Tax Commissioner continues to research the system in cooperation with the software vendor. This is included in current finding number 2018-002.

2017 - 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.

Auditee Response/Status: Unresolved. This is included in current finding number 2018-003.

2017 - 004. Sheriff Department Inmate Funds, Fines and Bond Funds, and Confiscated Funds not balanced to supporting documentation

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

Condition: Detail records are incomplete causing the supporting documentation not to balance with funds on deposit in special accounts.

Auditee Response/Status: Unresolved. This is included in current finding number 2018-004.