

**SUMTER COUNTY, GEORGIA**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2010**



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## INTRODUCTORY SECTION

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# SUMTER COUNTY, GEORGIA

## FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2010

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**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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**Board of Commissioners  
of Sumter County, Georgia  
Americus, Georgia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Sumter County, Georgia**, as of and for the year ended June 30, 2010, which collectively comprise Sumter County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sumter County Department of Public Health or the Sumter County Livestock Authority, which statements reflect total assets of \$404,430 and \$197,807, respectively, as of June 30, 2010, and total revenues of \$1,006,540 and \$178,099, respectively, for the year then ended. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Sumter County Department of Public Health and the Sumter County Livestock Authority in the component unit's columns is based solely on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumter County, Georgia as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2010, on our consideration of Sumter County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 3 through 10) and the Schedule of Funding Progress on page 48 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 20, 2010

# SUMTER COUNTY, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010

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This section of Sumter County, Georgia's ("the County") annual financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal period ended June 30, 2010.

### Financial Highlights

- The assets of Sumter County exceeded its liabilities at June 30, 2010, by \$61.6 million (net assets).
- At fiscal period ending June 30, 2010, the County's General Fund reported an unreserved fund balance of \$324,342.

### Overview of the Financial Statements

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

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

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

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets exceed liabilities by \$61,601,292 at the close of the most recent fiscal period.

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

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

	Governmental Activities		Business-type Activities		Total		Percentage Change 2009-2010
	2009	2010	2009	2010	2009	2010	
Current and other assets	\$ 9.24	\$ 5.00	\$ 0.32	\$ 0.45	\$ 9.56	\$ 5.45	(42.99) %
Capital assets	63.04	67.40	-	-	63.04	67.40	6.92
Total assets	72.28	72.40	0.32	0.45	72.60	72.85	0.34
Long-term liabilities							
outstanding	10.08	10.14	-	-	10.08	10.14	0.60
Other liabilities	2.77	1.03	-	0.07	2.77	1.10	(60.29)
Total liabilities	12.85	11.17	-	0.07	12.85	11.24	(12.53)
Net assets:							
Invested in capital assets							
net of related debt	56.70	59.50	-	-	56.70	59.50	4.94
Restricted	1.77	1.73	-	-	1.77	1.73	(2.26)
Unrestricted	0.96	-	0.32	0.37	1.28	0.37	(71.09)
Total net assets	\$ 59.43	\$ 61.23	\$ 0.32	\$ 0.37	\$ 59.75	\$ 61.60	3.10

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

	Governmental Activities		Business-type Activities		Total Activities		Percentage Change
	2009	2010	2009	2010	2009	2010	2009-2010
<b>Revenues</b>							
Program revenues:							
Charges for services	\$ 5.80	\$ 5.89	\$ 1.13	\$ 1.07	\$ 6.93	\$ 6.96	0.43 %
Operating grants and contributions	0.35	0.30	0.02	-	0.37	0.30	(18.92)
Capital grants and contributions	2.99	0.58	-	-	2.99	0.58	(80.60)
General revenues:							
Property taxes	8.89	9.04	-	-	8.89	9.04	1.69
Other taxes	7.14	7.13	-	-	7.14	7.13	(0.14)
Investment income	0.18	0.01	-	-	0.18	0.01	(94.44)
Gain on sale of capital assets	0.07	0.01	-	-	0.07	0.01	(85.71)
<b>Total revenues</b>	<b>25.42</b>	<b>22.96</b>	<b>1.15</b>	<b>1.07</b>	<b>26.57</b>	<b>24.03</b>	<b>(9.56)</b>
<b>Expenses</b>							
General government	3.14	3.29	-	-	3.14	3.29	4.78
Judicial	2.49	2.67	-	-	2.49	2.67	7.23
Public safety	10.38	10.63	-	-	10.38	10.63	2.41
Public works	2.47	2.15	-	-	2.47	2.15	(12.96)
Health and welfare	0.52	0.56	-	-	0.52	0.56	7.69
Recreation	0.70	0.92	-	-	0.70	0.92	31.43
Housing & development	0.68	0.57	-	-	0.68	0.57	(16.18)
Interest on long-term debt	0.40	0.39	-	-	0.40	0.39	(2.50)
Solid waste	-	-	1.89	1.02	1.89	1.02	(46.03)
<b>Total expenses</b>	<b>20.78</b>	<b>21.18</b>	<b>1.89</b>	<b>1.02</b>	<b>22.67</b>	<b>22.20</b>	<b>(2.07)</b>
Increase(decrease) in net assets before transfers	4.64	1.78	(0.74)	0.05	3.90	1.83	(53.08)
Transfers	(1.04)	-	1.04	-	-	-	-
<b>Change in net assets</b>	<b>3.60</b>	<b>1.78</b>	<b>0.30</b>	<b>0.05</b>	<b>3.90</b>	<b>1.83</b>	<b>(53.08)</b>
Net assets, beginning of year	55.84	59.44	0.02	0.32	55.86	59.76	6.98
<b>Net assets, end of year</b>	<b>\$ 59.44</b>	<b>\$ 61.22</b>	<b>\$ 0.32</b>	<b>\$ 0.37</b>	<b>\$ 59.76</b>	<b>\$ 61.59</b>	<b>3.06</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Financial Analysis of the Government's Funds

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

#### **General Fund**

The General Fund is the chief operating fund of Sumter County. At the end of the current fiscal period, unreserved fund balance of the General Fund was \$324,342, while the total fund balance was \$363,311.

#### **Capital Improvements Fund**

The Capital Improvements Fund is a fund designated for major capital projects that are not funded by SPLOST funds. At the end of the current fiscal period, total fund balance of the Capital Improvements Fund was \$739,052.

#### **SPLOST 2004**

SPLOST (Special purpose local option sales tax) Referendum passed on September 16, 2003. Proceeds of \$22,000,000 will fund multiple capital projects started in 2004. At the end of the current fiscal period, expenditures were \$1.63 million and revenues were \$33,202, leaving a fund balance of \$273,369. These totals now bring this fund under the threshold for qualifying it as a major fund and therefore it is now grouped with the other non-major funds on the balance sheet as "Other Governmental Funds".

#### **SPLOST 2007**

SPLOST (Special purpose local option sales tax) Referendum passed on September 18, 2007. Proceeds of \$25,400,000 will fund multiple capital projects started in 2008. At the end of the current fiscal period, expenditures were \$5.4 million and revenues were \$4.08 million. Capital leases and other funding sources were in the amount of \$.57 million, leaving a fund balance of \$1.45 million.

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

#### **Solid Waste Management**

At the end of the current fiscal period, net assets for the Solid Waste fund were \$375,219.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### General Fund Budgetary Highlights

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

The total General Fund actual expenditures fell below the final budgeted amount by \$357,561. This was due to a combined effort on the part of all the departments to tightly manage their spending.

### Capital Asset and Debt Administration

**Capital assets.** Sumter County's investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$67,401,073 (net of accumulated depreciation). This investment in capital assets includes land, site improvements, buildings, machinery and equipment, and infrastructure.

#### Sumter County's Capital Assets (net of depreciation)

	Governmental Activities		Percentage Change
	2009	2010	2009-2010
Land	\$ 862,468	\$ 862,468	- %
Construction in progress	19,566,063	20,631,438	5.45
Buildings and improvements	10,537,182	13,224,850	25.51
Machinery and equipment	1,618,449	3,239,348	100.15
Infrastructure	30,454,753	29,442,969	(3.32)
Total	<u>\$ 63,038,915</u>	<u>\$ 67,401,073</u>	<u>6.92</u>

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Long-term Debt.** Sumter County's long-term debt for the period ended June 30, 2010, is summarized below.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital leases	\$ 6,154,353	\$ 1,902,000	\$ (1,036,582)	\$ 7,019,771
Notes payable	2,487,585	573,824	(1,076,895)	1,984,514
Compensated absences	316,219	334,116	(339,233)	311,102
Landfill post-closure	1,103,000	-	(296,100)	806,900
Net pension obligation	18,089	-	(98)	17,991
Total	<u>\$ 10,079,246</u>	<u>\$ 2,809,940</u>	<u>\$ (2,748,908)</u>	<u>\$ 10,140,278</u>

ACCG/Lease-Purchase Agreements incurred during the prior year for real property and equipment totaled \$7,000,000 and assisted in SPLOST project start-ups. The additional \$1,902,000 during the fiscal year ended June 30, 2010 was for vehicles and equipment for the start-up of the Sumter County Fire Department.

SPLOST renovation project start-ups were assisted with a financial construction line of credit of which \$1,732,418 had been drawn as of June 30, 2010. Only \$252,096 is outstanding on the other note payable associated with construction of the GBI building in 2003.

Engineering and post-closure costs associated with the closing of the Sumter County landfill are estimated to be approximately \$806,900 over an estimated 14 year period of monitoring.

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

### Economic Factors and Next Year's Budgets

- Based on the current continued economic downturn and the continued reduction of local option and special local option sales tax, Sumter County expects to continue to feel the effect of the slowdown and budget accordingly.
- Sumter County has continued to use inmate labor during 2010 to help with current construction projects and will continue to self-perform these projects as it is seen to be cost effective.
- The Sumter County Board of Commissioners voted on September 23, 2009 to create and operate a new Sumter County Fire Department effective January 1, 2010. This decision was reached following negotiations with the City of Americus regarding the contracted fire and emergency services that were being provided to the unincorporated area of the County and the other cities in the County. It was decided that Sumter County would restructure its Fire Services delivery to better serve all the citizens of the unincorporated area. Funding for the operation of Sumter County Fire Department will be provided by fire fees for each parcel of property, residential structure, mobile home, business, school, church, and other not for profit buildings. Staffing savings will be obtained by using not only career firefighters but also inmate firefighters.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **Requests for Information**

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

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**SUMTER COUNTY, GEORGIA**

**STATEMENT OF NET ASSETS  
JUNE 30, 2010**

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 1,548,811	\$ 47,680	\$ 1,596,491
Taxes receivable	1,271,093	-	1,271,093
Notes receivable	12,754	-	12,754
Accounts receivable, net of allowances	371,274	110,878	482,152
Due from other governments	681,867	212,629	894,496
Internal balances	(82,539)	82,539	-
Inventories	921	-	921
Restricted cash	1,195,635	-	1,195,635
Capital assets, non-depreciable	21,493,906	-	21,493,906
Capital assets, depreciable, net of accumulated depreciation	45,907,167	-	45,907,167
<b>Total assets</b>	<b>72,400,889</b>	<b>453,726</b>	<b>72,854,615</b>
<b>LIABILITIES</b>			
Accounts payable	785,219	78,507	863,726
Accrued liabilities	249,319	-	249,319
Capital leases due within one year	1,356,137	-	1,356,137
Capital leases due in more than one year	5,663,634	-	5,663,634
Notes payable due within one year	1,080,871	-	1,080,871
Notes payable due in more than one year	903,643	-	903,643
Compensated absences due within one year	233,000	-	233,000
Compensated absences due in more than one year	78,102	-	78,102
Landfill postclosure costs due within one year	49,350	-	49,350
Landfill postclosure costs due in more than one year	757,550	-	757,550
Net pension obligation due in more than one year	17,991	-	17,991
<b>Total liabilities</b>	<b>11,174,816</b>	<b>78,507</b>	<b>11,253,323</b>
<b>NET ASSETS</b>			
Investment in capital assets, net of related debt	59,488,837	-	59,488,837
Restricted for capital projects	1,727,951	-	1,727,951
Unrestricted	9,285	375,219	384,504
<b>Total net assets</b>	<b>\$ 61,226,073</b>	<b>\$ 375,219</b>	<b>\$ 61,601,292</b>

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

Component Units	
Sumter County Department of Public Health	Sumter County Livestock Authority
\$ 399,672	\$ 72,875
-	-
-	-
4,758	64,212
-	-
-	-
-	-
-	600
-	60,120
<u>404,430</u>	<u>197,807</u>
11,652	11,499
-	-
-	-
-	5,000
-	-
-	-
92,953	-
-	-
-	-
-	-
<u>104,605</u>	<u>16,499</u>
-	60,720
-	-
299,825	120,588
<u>\$ 299,825</u>	<u>\$ 181,308</u>

# SUMTER COUNTY, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 3,289,652	\$ 588,746	\$ 41,417	\$ 8,629
Judicial	2,673,956	1,447,430	154,702	-
Public safety	10,630,437	3,563,582	18,060	-
Public works	2,146,727	-	-	32,904
Health and welfare	556,949	-	-	547,000
Recreation	915,265	240,744	-	-
Housing and development	567,188	50,666	89,110	-
Interest on long-term debt	398,997	-	-	-
<b>Total governmental activities</b>	<b>21,179,171</b>	<b>5,891,168</b>	<b>303,289</b>	<b>588,533</b>
Business-type activities:				
Solid waste management	1,016,933	1,071,586	-	-
<b>Total business-type activities</b>	<b>1,016,933</b>	<b>1,071,586</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 22,196,104</b>	<b>\$ 6,962,754</b>	<b>\$ 303,289</b>	<b>\$ 588,533</b>
<b>Component units:</b>				
Sumter County Department of Public Health	\$ 1,486,138	\$ 421,130	\$ 574,899	\$ -
Sumter County Livestock Authority	224,427	178,099	-	-
<b>Total component units</b>	<b>\$ 1,710,565</b>	<b>\$ 599,229</b>	<b>\$ 574,899</b>	<b>\$ -</b>
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Total general revenues				
Change in net assets				
Net assets, beginning of year				
Net assets, end of year				

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

**Net (Expense) Revenue and  
Changes in Net Assets**

Governmental Activities	Business-type Activities	Total	Component Units	
			Sumter County Department of Public Health	Sumter County Livestock Authority
\$ (2,650,860)	\$ -	\$ (2,650,860)	\$ -	\$ -
(1,071,824)	-	(1,071,824)	-	-
(7,048,795)	-	(7,048,795)	-	-
(2,113,823)	-	(2,113,823)	-	-
(9,949)	-	(9,949)	-	-
(674,521)	-	(674,521)	-	-
(427,412)	-	(427,412)	-	-
(398,997)	-	(398,997)	-	-
<u>(14,396,181)</u>	<u>-</u>	<u>(14,396,181)</u>	<u>-</u>	<u>-</u>
-	54,653	54,653	-	-
-	54,653	54,653	-	-
<u>\$ (14,396,181)</u>	<u>\$ 54,653</u>	<u>\$ (14,341,528)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (490,109)	\$ -
-	-	-	-	(46,328)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (490,109)</u>	<u>\$ (46,328)</u>
9,035,656	-	9,035,656	-	-
6,182,323	-	6,182,323	-	-
713,087	-	713,087	-	-
231,522	-	231,522	-	-
8,574	1,406	9,980	10,421	-
13,788	-	13,788	-	-
<u>16,184,950</u>	<u>1,406</u>	<u>16,186,356</u>	<u>10,421</u>	<u>-</u>
1,788,769	56,059	1,844,828	(479,688)	(46,328)
59,437,304	319,160	59,756,464	779,513	227,636
<u>\$ 61,226,073</u>	<u>\$ 375,219</u>	<u>\$ 61,601,292</u>	<u>\$ 299,825</u>	<u>\$ 181,308</u>

**SUMTER COUNTY, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010**

ASSETS	General	Capital Improvements	2007 SPLOST	Other Governmental Funds	Total
Cash and cash equivalents	\$ 229,972	\$ 355,648	\$ 333,340	\$ 629,851	\$ 1,548,811
Taxes receivable	654,010	-	589,971	27,112	1,271,093
Notes receivable	-	-	-	12,754	12,754
Accounts receivable	53,741	317,533	-	-	371,274
Due from other governments	629,113	-	-	52,754	681,867
Due from other funds	149,953	25,000	-	-	174,953
Inventories	921	-	-	-	921
Restricted cash	-	103,586	1,092,049	-	1,195,635
<b>Total assets</b>	<b>\$ 1,717,710</b>	<b>\$ 801,767</b>	<b>\$ 2,015,360</b>	<b>\$ 722,471</b>	<b>\$ 5,257,308</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 439,689	\$ 62,715	\$ 259,406	\$ 23,409	\$ 785,219
Accrued liabilities	171,533	-	-	9,077	180,610
Deferred revenues	660,638	-	126,419	-	787,057
Due to other funds	82,539	-	174,953	-	257,492
<b>Total liabilities</b>	<b>1,354,399</b>	<b>62,715</b>	<b>560,778</b>	<b>32,486</b>	<b>2,010,378</b>
<b>FUND BALANCES</b>					
Reserved for:					
Encumbrances	38,048	-	-	-	38,048
Inventories	921	-	-	-	921
Noncurrent loans receivable	-	-	-	12,754	12,754
Unreserved, undesignated reported in:					
General fund	324,342	-	-	-	324,342
Special revenue funds	-	-	-	403,862	403,862
Capital projects funds	-	739,052	1,454,582	273,369	2,467,003
<b>Total fund balances</b>	<b>363,311</b>	<b>739,052</b>	<b>1,454,582</b>	<b>689,985</b>	<b>3,246,930</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,717,710</b>	<b>\$ 801,767</b>	<b>\$ 2,015,360</b>	<b>\$ 722,471</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	67,401,073
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	787,057
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(10,190,996)
Net pension obligation used in governmental activities is not a financial resource and, therefore, is not reported in the funds.	(17,991)

Net assets of governmental activities \$ 61,226,073

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, 2010

	General	Capital Improvements	2007 SPLOST	Other Governmental Funds	Total
<b>Revenues:</b>					
Property taxes	\$ 8,530,059	\$ -	\$ -	\$ 345,658	\$ 8,875,717
Sales taxes	2,089,717	-	4,062,295	10,348	6,162,360
Other taxes	941,594	-	-	3,015	944,609
Licenses and permits	70,735	-	-	-	70,735
Intergovernmental	148,315	547,000	14,062	165,716	875,093
Charges for services	3,784,866	-	-	22,765	3,807,631
Fines and forfeitures	630,273	-	-	141,010	771,283
Interest	8,108	332	4,617	4,146	17,203
Other revenues	907,384	-	-	342,235	1,249,619
Total revenues	17,111,051	547,332	4,080,974	1,034,893	22,774,250
<b>Expenditures:</b>					
Current:					
General government	2,446,291	-	-	-	2,446,291
Judicial	2,442,779	-	-	220,378	2,663,157
Public safety	9,024,534	-	-	1,122,845	10,147,379
Public works	1,143,052	-	-	-	1,143,052
Health and welfare	438,878	-	-	-	438,878
Culture and recreation	1,067,267	-	-	-	1,067,267
Housing and development	441,408	-	-	76,899	518,307
Intergovernmental	-	-	698,618	19,086	717,704
Capital outlay	-	2,306,700	2,378,865	1,616,315	6,301,880
Debt service:					
Principal	76,895	-	2,036,582	-	2,113,477
Interest	64,868	-	286,030	-	350,898
Total expenditures	17,145,972	2,306,700	5,400,095	3,055,523	27,908,290
Deficiency of revenues under expenditures	(34,921)	(1,759,368)	(1,319,121)	(2,020,630)	(5,134,040)
<b>Other financing sources (uses):</b>					
Proceeds from sale of assets	14,056	-	-	-	14,056
Capital leases	-	1,902,000	-	-	1,902,000
Note payable	-	-	573,824	-	573,824
Transfers in	-	398,186	-	45,721	443,907
Transfers out	(443,856)	-	-	(51)	(443,907)
Total other financing sources (uses)	(429,800)	2,300,186	573,824	45,670	2,489,880
Net change in fund balances	(464,721)	540,818	(745,297)	(1,974,960)	(2,644,160)
<b>Fund balance, beginning of year</b>	828,032	198,234	2,199,879	2,664,945	5,891,090
<b>Fund balance, end of year</b>	\$ 363,311	\$ 739,052	\$ 1,454,582	\$ 689,985	\$ 3,246,930

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

# SUMTER COUNTY, GEORGIA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010

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

Net change in fund balances - total governmental funds	\$ (2,644,160)
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.	4,362,426
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(268)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Deferred revenues increased during the year by this amount.	179,902
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(66,247)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(42,884)</u>
Change in net assets - governmental activities	<u>\$ 1,788,769</u>

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

# SUMTER COUNTY, GEORGIA

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 8,597,144	\$ 8,665,244	\$ 8,530,059	\$ (135,185)
Sales taxes	2,250,000	2,124,244	2,089,717	(34,527)
Other taxes	994,300	974,300	941,594	(32,706)
Licenses and permits	95,350	95,350	70,735	(24,615)
Intergovernmental	109,394	202,981	148,315	(54,666)
Charges for services	3,938,815	3,951,765	3,784,866	(166,899)
Fines and forfeitures	746,800	626,800	630,273	3,473
Interest income	36,500	36,500	8,108	(28,392)
Miscellaneous	972,055	1,026,205	907,384	(118,821)
Total revenues	17,740,358	17,703,389	17,111,051	(592,338)
<b>Expenditures:</b>				
<b>Current:</b>				
General government:				
Board of commissioners	65,471	76,683	73,758	2,925
County clerk	55,157	65,278	64,001	1,277
Administrator	104,662	115,232	113,269	1,963
Elections	126,820	125,548	119,560	5,988
Financial administration	259,051	307,567	306,188	1,379
Legal	90,000	78,500	65,352	13,148
Information systems	103,146	77,646	69,899	7,747
Human resources	93,536	93,560	87,903	5,657
Tax commissioner's office	323,986	311,463	302,061	9,402
Tax assessor's office	482,643	471,634	455,757	15,877
Risk management	298,000	268,000	266,611	1,389
Building and grounds	254,007	361,475	353,812	7,663
General administration	800,547	225,752	168,120	57,632
Total general government	3,057,026	2,578,338	2,446,291	132,047
Judicial:				
Court administration	34,471	37,618	35,102	2,516
Judge of superior court	230,829	207,445	198,712	8,733
Clerk of courts	428,137	432,899	418,123	14,776
District attorney	260,869	260,299	260,349	(50)
State court	103,030	114,384	113,089	1,295
Magistrate court	353,195	352,393	346,416	5,977
Probate court	129,976	144,198	142,155	2,043
Juvenile court	204,164	206,793	203,964	2,829
Grand jury	15,700	11,200	9,409	1,791
Public defense	731,002	724,364	715,460	8,904
Total judicial	2,491,373	2,491,593	2,442,779	48,814

(Continued)

# SUMTER COUNTY, GEORGIA

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Expenditures: (Continued)</b>				
<b>Current: (Continued)</b>				
Public safety:				
Sheriff's office	\$ 2,974,993	\$ 3,104,069	\$ 3,093,910	\$ 10,159
Jail operations	2,542,519	2,904,717	2,866,170	38,547
Correctional institute	3,042,011	2,865,538	2,814,227	51,311
Coroner	47,944	40,170	37,510	2,660
E911	154,600	118,068	117,631	437
Animal control	83,118	86,130	85,398	732
Emergency management	9,960	9,768	9,688	80
Total public safety	8,855,145	9,128,460	9,024,534	103,926
Public works:				
Public works department	1,110,212	1,059,215	1,045,216	13,999
Landfill closure/postclosure	-	104,000	97,836	6,164
Total public works	1,110,212	1,163,215	1,143,052	20,163
Health and welfare:				
Public health	308,858	310,858	310,542	316
Public welfare	73,674	74,074	74,054	20
Community service	37,482	37,483	37,482	1
Senior citizen center	16,800	16,800	16,800	-
Total health and welfare	436,814	439,215	438,878	337
Culture and recreation:				
Recreation	955,117	969,458	946,771	22,687
Libraries	120,496	120,496	120,496	-
Total culture and recreation	1,075,613	1,089,954	1,067,267	22,687
Housing and development:				
County agent's office	138,409	121,987	100,439	21,548
Forest resources	7,196	7,196	7,196	-
Building inspection	46,668	49,746	46,131	3,615
Planning and zoning	115,744	122,843	120,425	2,418
Code enforcement	6,250	5,223	3,384	1,839
Economic development	124,833	124,833	124,833	-
Airport	39,000	39,000	39,000	-
Total housing and development	478,100	470,828	441,408	29,420

(Continued)

**SUMTER COUNTY, GEORGIA**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Expenditures: (Continued)</b>				
<b>Debt service:</b>				
Principal	\$ 69,522	\$ 76,895	\$ 76,895	\$ -
Interest	69,153	65,035	64,868	167
Total debt service	<u>138,675</u>	<u>141,930</u>	<u>141,763</u>	<u>167</u>
Total expenditures	<u>17,642,958</u>	<u>17,503,533</u>	<u>17,145,972</u>	<u>357,561</u>
Excess (deficiency) of revenues over (under) expenditures	<u>97,400</u>	<u>199,856</u>	<u>(34,921)</u>	<u>(234,777)</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of assets	150,000	150,000	14,056	(135,944)
Transfers out	(247,400)	(443,856)	(443,856)	-
Total other financing sources (uses)	<u>(97,400)</u>	<u>(293,856)</u>	<u>(429,800)</u>	<u>(135,944)</u>
Net change in fund balances	-	(94,000)	(464,721)	(370,721)
Fund balance, beginning of year	<u>828,032</u>	<u>828,032</u>	<u>828,032</u>	<u>-</u>
Fund balance, end of year	<u>\$ 828,032</u>	<u>\$ 734,032</u>	<u>\$ 363,311</u>	<u>\$ (370,721)</u>

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

**SUMTER COUNTY, GEORGIA**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS**

**JUNE 30, 2010**

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	<b>Major Enterprise Fund Solid Waste Management</b>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 47,680
Accounts receivable, net of allowances	110,878
Due from other governments	212,629
Due from other funds	82,539
Total current assets	<u>453,726</u>
Total assets	<u>453,726</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	<u>78,507</u>
Total current liabilities	<u>78,507</u>
Total liabilities	<u>78,507</u>
<b>NET ASSETS</b>	
Unrestricted	375,219
Total net assets	<u>\$ 375,219</u>

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

**SUMTER COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Major Enterprise Fund Solid Waste Management</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Garbage collection fees	\$ 1,071,586
Total operating revenues	<u>1,071,586</u>
<b>OPERATING EXPENSES</b>	
Contracted services	1,016,933
Total operating expenses	<u>1,016,933</u>
Operating income	<u>54,653</u>
<b>NONOPERATING INCOME</b>	
Interest income	1,406
Total nonoperating income	<u>1,406</u>
Change in net assets	56,059
<b>NET ASSETS, beginning of year</b>	<u>319,160</u>
<b>NET ASSETS, end of year</b>	<u>\$ 375,219</u>

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, 2010**

	<u>Major Enterprise Fund Solid Waste Management</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 1,056,409
Payments to suppliers and service providers	<u>(1,321,426)</u>
Net cash used in operating activities	<u>(265,017)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	<u>1,406</u>
Net cash provided by investing activities	<u>1,406</u>
Net decrease in cash and cash equivalents	(263,611)
<b>Cash and cash equivalents:</b>	
Beginning of year	<u>311,291</u>
End of year	<u>\$ 47,680</u>
<b>Reconciliation of operating income to net cash used in operating activities:</b>	
Operating income	\$ 54,653
Adjustments to reconcile operating income to net cash used in operating activities:	
Increase in accounts receivable	(25,177)
Decrease in due from other governments	10,000
Increase in due from other funds	(82,539)
Increase in accounts payable	78,046
Decrease in due to other funds	<u>(300,000)</u>
Net cash used in operating activities	<u>\$ (265,017)</u>

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

**SUMTER COUNTY, GEORGIA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2010**

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<b>ASSETS</b>	<b>Agency Funds</b>
Cash	\$ 535,996
Taxes receivable	1,384,192
Accounts receivable	<u>3,350</u>
Total assets	<u>\$ 1,923,538</u>
<b>LIABILITIES</b>	
Due to others	<u>\$ 1,923,538</u>
Total liabilities	<u>\$ 1,923,538</u>

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

**SUMTER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

**Discretely Presented Component Units**

The Sumter County Department of Public Health (the "Health Department") is governed by a seven-member board consisting of one member of the County's Board of Commissioners and three members as appointed by the County Commissioners. The County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health service fees. Amounts included in the Government-wide Statement of Net Assets and Statement of Activities for the Health Department are for the year ended June 30, 2010.

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. Reporting Entity (Continued)

##### Discretely Presented Component Units (Continued)

The Sumter County Livestock Authority (the "Authority") is governed by a nine-member board consisting of one member of the County's Board of Commissioners and eight members as appointed by the County Commissioners. The Authority provides auction facilities for buying and selling of livestock, primarily cattle and hogs. The County is financially obligated to supplement operating deficits and also has the ability to claim operating surpluses. Amounts included in the Government-wide Statement of Net Assets and Statement of Activities for the Authority are for the year ended June 30, 2010.

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

#### B. Government-wide and Fund Financial Statements

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The County reports the following major governmental funds:

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

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

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

The County reports the following major proprietary fund:

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

#### D. Budgets

Formal budgetary accounting is employed as a management control device for the General Fund and the Special Revenue funds. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund and the Special Revenue Funds, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principle basis. For the year ended June 30, 2010, annual budgets were adopted for the General Fund and all Special Revenue Funds. Budgets for Capital Project Funds are adopted on a project basis, spanning more than one fiscal year. The County Commission must approve any amendments to the budget.

#### E. Cash and Investments

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

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

The only investments held by the County at June 30, 2010 were certificates of deposit with a maturity of greater than three months. Investments are stated at fair value.

#### F. Interfund Receivables and Payables

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Inventories

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

#### H. Capital Assets

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

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

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

<u>Asset Category</u>	<u>Years</u>
Site improvements	20
Buildings	50
Machinery and equipment	3 - 10
Infrastructure	20 - 50

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### I. Compensated Absences

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

#### J. Long-Term Obligations

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

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

#### K. Fund Equity

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

#### L. Use of Estimates

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

## NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$10,190,996 difference are as follows:

Accrued interest payable	\$ (68,709)
Capital leases	(7,019,771)
Notes payable	(1,984,514)
Landfill postclosure costs	(806,900)
Compensated absences	<u>(311,102)</u>

Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ (10,190,996)</u>
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#### B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$4,362,426 difference are as follows:

Capital outlay	\$ 6,071,848
Depreciation expense	<u>(1,709,422)</u>

Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	<u>\$ 4,362,426</u>
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## NOTES TO FINANCIAL STATEMENTS

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

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

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this \$66,247 difference are as follows:

Debt incurred:	
Notes payable	\$ (573,824)
Capital leases	(1,902,000)
Principal repayments:	
Capital leases	1,036,582
Notes payable	1,076,895
Landfill postclosure costs	<u>296,100</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	
	<u>\$ (66,247)</u>

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$42,884 difference are as follows:

Compensated absences	\$ 5,117
Net pension obligation	98
Accrued interest	<u>(48,099)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	
	<u>\$ (42,884)</u>

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 3. LEGAL COMPLIANCE – BUDGETS**

#### **A. Budgets and Budgetary Accounting**

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

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

Budgeted amounts are as originally adopted on June 25, 2009, or as amended by the Board of Commissioners. The supplementary budgetary appropriations made were not material.

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

#### **B. Encumbrances**

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

#### C. Excess Expenditures over Appropriations

For the year ended June 30, 2010, expenditures exceeded budget in the General Fund, as follows:

<u>Department</u>	<u>Excess</u>
District attorney	\$ 50

This over-expenditure in the General Fund was funded by under-expenditures in other departments.

### NOTE 4. CASH AND INVESTMENTS

**Credit risk.** State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County had no investments as of June 30, 2010.

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

**Custodial credit risk – deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2010, all of the County's bank balances were properly insured and collateralized as defined by GASB pronouncements and the State of Georgia.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. RECEIVABLES

Receivables at June 30, 2010, for the County's individual major and nonmajor funds in the aggregate are as follows:

	<u>General</u>	<u>Capital Improvements</u>	<u>2007 SPLOST</u>	<u>Solid Waste Management</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 916,245	\$ -	\$ 589,971	\$ -	\$ 27,112	\$ 1,533,328
Notes	-	-	-	-	12,754	12,754
Accounts	53,741	317,533	-	147,145	-	518,419
Gross receivables	969,986	317,533	589,971	147,145	39,866	2,064,501
Less allowance for uncollectibles	(262,235)	-	-	(36,267)	-	(298,502)
Net receivables	<u>\$ 707,751</u>	<u>\$ 317,533</u>	<u>\$ 589,971</u>	<u>\$ 110,878</u>	<u>\$ 39,866</u>	<u>\$ 1,765,999</u>

Property taxes were levied on September 18, 2009. Bills are payable on or before December 1, 2009, after which the applicable property is subject to lien and penalties and interest as assessed. The County bills and collects its own property taxes. Property taxes levied for 2010 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2010, and collected by August 31, 2010, are recognized as revenues in the year ended June 30, 2010. Net receivables estimated to be collected subsequent to August 31, 2010 are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

Property taxes attached as an enforceable lien on property as of December 1, 2009.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

#### A. Primary Government

Capital asset activity for the year ended June 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 862,468	\$ -	\$ -	\$ -	\$ 862,468
Construction in progress	19,566,063	4,037,686	-	(2,972,311)	20,631,438
Total capital assets, not being depreciated	<u>20,428,531</u>	<u>4,037,686</u>	<u>-</u>	<u>(2,972,311)</u>	<u>21,493,906</u>
Capital assets, being depreciated:					
Site improvements	488,113	-	-	-	488,113
Buildings	15,071,382	-	-	2,972,311	18,043,693
Equipment	7,007,641	2,034,162	(96,274)	-	8,945,529
Infrastructure	48,276,074	-	-	-	48,276,074
Total capital assets, being depreciated	<u>70,843,210</u>	<u>2,034,162</u>	<u>(96,274)</u>	<u>2,972,311</u>	<u>75,753,409</u>
Less accumulated depreciation for:					
Site improvements	23,830	12,300	-	-	36,130
Buildings	4,998,483	272,343	-	-	5,270,826
Equipment	5,389,192	412,995	(96,006)	-	5,706,181
Infrastructure	17,821,321	1,011,784	-	-	18,833,105
Total accumulated depreciation	<u>28,232,826</u>	<u>1,709,422</u>	<u>(96,006)</u>	<u>-</u>	<u>29,846,242</u>
Total capital assets, being depreciated, net	<u>42,610,384</u>	<u>324,740</u>	<u>(268)</u>	<u>2,972,311</u>	<u>45,907,167</u>
Governmental activities capital assets, net	<u>\$ 63,038,915</u>	<u>\$ 4,362,426</u>	<u>\$ (268)</u>	<u>\$ -</u>	<u>\$ 67,401,073</u>

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. CAPITAL ASSETS (CONTINUED)**

**A. Primary Government (Continued)**

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

Governmental activities:

General government	\$ 118,087
Judicial	1,483
Public safety	447,050
Public works	1,036,052
Culture and recreation	66,640
Housing and development	40,110
Total depreciation expense - governmental activities	<u>\$ 1,709,422</u>

**B. Discretely Presented Component Unit – Department of Public Health**

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	\$ 59,126	\$ -	\$ (35,476)	\$ 23,650
Total capital assets, being depreciated	59,126	-	(35,476)	23,650
Less accumulated depreciation for:				
Machinery and equipment	58,301	769	(35,420)	23,650
Total accumulated depreciation	58,301	769	(35,420)	23,650
Total capital assets, net	\$ 825	\$ (769)	\$ (56)	\$ -

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

#### C. Discretely Presented Component Unit – Livestock Authority

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 600	\$ -	\$ -	\$ 600
Total capital assets, not being depreciated	<u>600</u>	<u>-</u>	<u>-</u>	<u>600</u>
Capital assets, being depreciated:				
Buildings	482,254	-	-	482,254
Machinery and equipment	214,930	-	-	214,930
Total capital assets, being depreciated	<u>697,184</u>	<u>-</u>	<u>-</u>	<u>697,184</u>
Less accumulated depreciation for:				
Buildings	446,191	7,060	-	453,251
Machinery and equipment	176,753	7,060	-	183,813
Total accumulated depreciation	<u>622,944</u>	<u>14,120</u>	<u>-</u>	<u>637,064</u>
Total capital assets, being depreciated, net	<u>74,240</u>	<u>(14,120)</u>	<u>-</u>	<u>60,120</u>
Total capital assets, net	<u>\$ 74,840</u>	<u>\$ (14,120)</u>	<u>\$ -</u>	<u>\$ 60,720</u>

### NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2010:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Capital leases	\$ 6,154,353	\$ 1,902,000	\$ (1,036,582)	\$ 7,019,771	\$ 1,356,137
Notes payable	2,487,585	573,824	(1,076,895)	1,984,514	1,080,871
Compensated absences	316,219	334,116	(339,233)	311,102	233,000
Landfill postclosure costs	1,103,000	-	(296,100)	806,900	49,350
Net pension obligation	18,089	-	(98)	17,991	-
Governmental activities long-term liabilities	<u>\$ 10,079,246</u>	<u>\$ 2,809,940</u>	<u>\$ (2,748,908)</u>	<u>\$ 10,140,278</u>	<u>\$ 2,719,358</u>

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

**Capital Leases.** The County has entered into lease agreements as lessee for financing the acquisition of vehicles and fire equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. Equipment leased under capital leases totaled \$8,902,000 and is included in capital assets of the governmental funds.

The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2010:

Year Ending June 30,	
2011	\$ 1,640,614
2012	1,640,614
2013	1,416,317
2014	1,416,317
2015	1,416,317
2016-2017	387,746
Total minimum lease payments	7,917,925
Less amount representing interest	898,154
Present value of future minimum lease payments	\$ 7,019,771

**Notes Payable.** The County has also incurred debt to financial institutions for various construction projects. Included with these notes is a construction line of credit agreement for \$3,000,000, of which \$1,732,418 had been drawn as of June 30, 2010. These notes are as follows at June 30, 2010:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
5.10%	10 years	2013	\$ 750,000	\$ 252,096
3.54%	3.5 years	2012	3,000,000	1,732,418
				\$ 1,984,514

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. LONG-TERM DEBT (CONTINUED)

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

Year ending June 30,	Principal	Interest
2011	80,871	13,204
2012	85,052	9,023
2013	86,173	4,637
	\$ 252,096	\$ 26,864

The above debt service requirements to maturity table does not include provision for the construction line of credit agreement for \$3,000,000, of which \$1,732,418 has been drawn as of June 30, 2010. This note payable is in the draw down phase as of June 30, 2010, and repayment will be determined when construction is complete and all draws have been made.

**Landfill postclosure costs.** Effective May 1995, the Sumter County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of June 30, 2010, the County has a remaining 14 years of monitoring. Engineering studies estimate postclosure costs of approximately \$806,900 over the 14-year period. These costs are based on what it would cost to perform all postclosure care in 2010, 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. TAX ANTICIPATION NOTE PAYABLE

On May 14, 2009, the County issued a \$4,000,000 tax anticipation note with an interest rate of 3.00% to provide cash flow for the General Fund until tax collections began later in the year. The County drew down \$2,750,000 during the current fiscal year and repaid the note in full with interest on December 23, 2009.

Activity for the tax anticipation note payable (short-term liability) for the year ended June 30, 2010, was as follows:

Balance, June 30, 2009	Additions	Reductions	Balance, June 30, 2010
\$ 1,250,000	\$ 2,750,000	\$ 4,000,000	\$ -

### NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	2007 SPLOST Fund	\$ 149,953
Capital Improvements	2007 SPLOST Fund	25,000
Solid Waste Management Fund	General Fund	82,539
		\$ 257,492

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

Interfund transfers:

Transfers In	Transfers Out	Amount
Capital Improvements	Nonmajor governmental Fund	\$ 51
Nonmajor governmental Fund	General Fund	45,721
Capital Improvements	General Fund	398,135
		\$ 443,907

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

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 10. DEFINED CONTRIBUTION PENSION PLAN**

The County participates in the Association of County Commissioners of Georgia 401(a) Defined Contribution Plan (the Plan) which is administered by GEBCorp. The Plan provides retirement benefits to plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the County. Employees are not required to contribute to the Plan. The County contributes an amount equal to 50% of the amount contributed by participants to the County's deferred compensation plan, with a maximum match from the County of 3% of the participant's annual compensation. The County's contribution for each employee is 100% vested after five (5) years of continuous service. For the year ending June 30, 2010, the County's contribution to the Plan was \$74,657. The amount contributed by employees was \$210,128.

### **NOTE 11. DEFINED BENEFIT PENSION PLAN**

#### **Plan Description – Primary Government**

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

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

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

#### **Funding Policy**

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Annual Pension Cost

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

	<u>January 1, 2009</u>	<u>January 1, 2008</u>
<b><u>Derivation of Annual Pension Cost</u></b>		
Annual Required Contribution	\$ 221,791	\$ 194,054
Interest on Net Pension Obligation	1,402	(5,523)
Amortization of Net Pension Obligation	(1,500)	5,827
Annual Pension Cost	\$ 221,693	\$ 194,358

#### **Derivation of Net Pension Obligation**

Annual Pension Cost for Plan Year 2009	\$ 221,693
Actual Contributions to Plan for Plan Year 2009	221,791
Increase (Decrease) in Net Pension Obligation	(98)
Net Pension Obligation (Asset) as of Beginning of Plan Year	18,089
Net Pension Obligation (Asset) as of End of Plan Year	\$ 17,991

#### **Basis of Valuation**

Current Valuation Date	January 1, 2009
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	3.5 - 6% based on age
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period	30

#### **Trend Information for The Plan**

<u>Fiscal Year Beginning</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual County Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
1/1/09	\$ 221,693	\$ 221,791	100 %	\$ 17,991
1/1/08	194,358	107,234	55	18,089
1/1/07	155,516	170,317	110	(69,035)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

As of the most recent valuation date, January 1, 2009, the funded status of the Plan was as follows:

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/2008	\$ 591,074	\$ 1,297,448	\$ 706,374	45.6%	\$ 4,866,202	14.5%

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2009.

### NOTE 12. RISK MANAGEMENT

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 12. RISK MANAGEMENT (CONTINUED)

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

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

### NOTE 13. COMMITMENTS AND CONTINGENCIES

#### **Litigation:**

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

#### **Contractual Commitments:**

In addition to the liabilities enumerated in the balance sheet at June 30, 2010, the County has contractual commitments on uncompleted construction contracts of approximately \$269,613.

#### **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

#### **River Valley Regional Commission**

Under Georgia law, the County, in conjunction with other cities and counties in the sixteen-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, 2010, the County paid \$14,315 in such dues. Membership in the River Valley Regional Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. JOINT VENTURES (CONTINUED)

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 \$39,000 during the year to assist with general operating expenses. The County governing body does not approve the budget nor does it have any oversight of the day to day operations of the Airport Authority. The Airport Authority was established to buy, sell, and own property. Separate financial statements are not available.

#### **Middle Flint Regional E-911 Authority**

The Middle Flint Regional E-911 Authority (the "E-911 Authority") is comprised of eight board members; two appointed by the County and the remaining six appointed by the other representative counties. The County allocated to the E-911 Authority \$117,456 during the year to assist with general operating expenses. The County governing body does not approve the budget nor does it have any oversight of the day to day operations of the E-911 Authority. The E-911 Authority was established to provide emergency communications services to Dooly, Macon, Marion, Schley, Sumter, Taylor and Webster counties. Separate financial statements may be obtained from:

Middle Flint Regional E-911 Authority  
222 Hayes Avenue  
Ellaville, GA 31806

**REQUIRED SUPPLEMENTARY INFORMATION**

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**DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF FUNDING PROGRESS**

<b>Measurement Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</b>
12/31/2008	\$ 591,074	\$ 1,297,448	\$ 706,374	45.6 %	\$ 4,866,202	14.5 %
12/31/2007	519,582	998,229	478,647	52.1	4,188,115	11.4
12/31/2006	355,242	825,776	470,534	43.0	3,880,073	12.1

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

## **NONMAJOR GOVERNMENTAL FUNDS**

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### **Special Revenue Funds**

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

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

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

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

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

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

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

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

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

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

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

### **Capital Projects Fund**

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

**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.

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**SUMTER COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

<b>ASSETS</b>	<b>Sheriff's Forfeiture Recovery</b>	<b>CHIP 2007- Housing Rehab Loan</b>	<b>County Fire Districts</b>
Cash and cash equivalents	\$ 24,166	\$ 15,411	\$ 9,757
Taxes receivable	-	-	27,112
Notes receivable	-	-	-
Due from other governments	-	-	-
<b>Total assets</b>	<b>\$ 24,166</b>	<b>\$ 15,411</b>	<b>\$ 36,869</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 6,534
Accrued liabilities	-	-	9,077
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>15,611</b>
<b>FUND BALANCES</b>			
Reserved for:			
Noncurrent loans receivable	-	-	-
Unreserved, undesignated	24,166	15,411	21,258
<b>Total fund balances</b>	<b>24,166</b>	<b>15,411</b>	<b>21,258</b>
<b>Total liabilities and fund balances</b>	<b>\$ 24,166</b>	<b>\$ 15,411</b>	<b>\$ 36,869</b>

**Special Revenue**

<b>Sumter Business Loan Recovery</b>	<b>Victim and Witness Assistance</b>	<b>Law Library</b>	<b>Southwestern Judicial Circuit</b>	<b>Drug Abuse Treatment and Education</b>
\$ 54,889	\$ 94,207	\$ 51,912	\$ 33,722	\$ 40,942
-	-	-	-	-
12,754	-	-	-	-
-	3,299	185	-	535
<u>\$ 67,643</u>	<u>\$ 97,506</u>	<u>\$ 52,097</u>	<u>\$ 33,722</u>	<u>\$ 41,477</u>
-	335	-	2,933	-
-	-	-	-	-
-	335	-	2,933	-
12,754	-	-	-	-
54,889	97,171	52,097	30,789	41,477
<u>67,643</u>	<u>97,171</u>	<u>52,097</u>	<u>30,789</u>	<u>41,477</u>
<u>\$ 67,643</u>	<u>\$ 97,506</u>	<u>\$ 52,097</u>	<u>\$ 33,722</u>	<u>\$ 41,477</u>

(Continued)

**SUMTER COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

ASSETS	Special Revenue		
	Correctional Institute Commissary	Jail Commissary	Impaired Driving and Awareness Program
Cash and cash equivalents	\$ 67,189	\$ 12,605	\$ 417
Taxes receivable	-	-	-
Notes receivable	-	-	-
Due from other governments	-	-	-
<b>Total assets</b>	<b>\$ 67,189</b>	<b>\$ 12,605</b>	<b>\$ 417</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 13,607	\$ -	\$ -
Accrued Liabilities	-	-	-
<b>Total liabilities</b>	<b>13,607</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Reserved for:			
Noncurrent loans receivable	-	-	-
Unreserved, undesignated	53,582	12,605	417
<b>Total fund balances</b>	<b>53,582</b>	<b>12,605</b>	<b>417</b>
<b>Total liabilities and fund balances</b>	<b>\$ 67,189</b>	<b>\$ 12,605</b>	<b>\$ 417</b>

**Capital Projects**

2008 CDBG - Street and Drainage Project	2004 SPLOST	Total
\$ -	\$ 224,634	\$ 629,851
-	-	27,112
-	-	12,754
-	48,735	52,754
<u>\$ -</u>	<u>\$ 273,369</u>	<u>\$ 722,471</u>
-	-	-
-	-	23,409
-	-	9,077
-	-	32,486
-	-	12,754
-	273,369	677,231
-	273,369	689,985
<u>\$ -</u>	<u>\$ 273,369</u>	<u>\$ 722,471</u>

**SUMTER COUNTY, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Sheriff's Forfeiture Recovery</u>	<u>CHIP 2007- Housing Rehab Loan</u>	<u>Sumter County Fire Districts</u>
<b>Revenues:</b>			
Property taxes	\$ -	\$ -	\$ 345,658
Sales taxes	-	-	-
Others taxes	-	-	3,015
Intergovernmental	-	89,110	-
Charges for service	-	-	-
Fines and forfeitures	23,605	-	-
Interest income	12	-	-
Other revenues	-	-	4,000
<b>Total revenues</b>	<u>23,617</u>	<u>89,110</u>	<u>352,673</u>
<b>Expenditures:</b>			
Current:			
Judicial	-	-	-
Public safety	17,325	-	770,537
Housing and development	-	76,899	-
Intergovernmental	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>17,325</u>	<u>76,899</u>	<u>770,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,292</u>	<u>12,211</u>	<u>(417,864)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	45,721
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>45,721</u>
Net change in fund balances	6,292	12,211	(372,143)
<b>Fund balances, beginning of year</b>	<u>17,874</u>	<u>3,200</u>	<u>393,401</u>
<b>Fund balances, end of year</b>	<u>\$ 24,166</u>	<u>\$ 15,411</u>	<u>\$ 21,258</u>

**Special Revenue**

CDBG - Business Loan Recovery	Victim and Witness Assistance	Law Library	Southwestern Judicial Circuit	Drug Abuse Treatment and Education
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	57,764	-	-	-
-	-	5,675	17,090	-
-	88,817	13,007	-	15,581
52	-	60	-	-
-	-	81	-	-
<u>52</u>	<u>146,581</u>	<u>18,823</u>	<u>17,090</u>	<u>15,581</u>
-	157,249	35,083	28,046	-
-	-	-	-	9,787
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>157,249</u>	<u>35,083</u>	<u>28,046</u>	<u>9,787</u>
<u>52</u>	<u>(10,668)</u>	<u>(16,260)</u>	<u>(10,956)</u>	<u>5,794</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
52	(10,668)	(16,260)	(10,956)	5,794
<u>67,591</u>	<u>107,839</u>	<u>68,357</u>	<u>41,745</u>	<u>35,683</u>
<u>\$ 67,643</u>	<u>\$ 97,171</u>	<u>\$ 52,097</u>	<u>\$ 30,789</u>	<u>\$ 41,477</u>

(Continued)

## SUMTER COUNTY, GEORGIA

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Special Revenue		
	Correctional Institute Commissary	Jail Commissary	Impaired Driving and Awareness Program
<b>Revenues:</b>			
Property taxes	\$ -	\$ -	\$ -
Sales taxes			
Other taxes	-	-	-
Intergovernmental	-	-	-
Charges for service	-	-	-
Fines and forfeitures	-	-	-
Interest income	-	10	-
Other revenues	221,415	112,639	4,100
Total revenues	221,415	112,649	4,100
<b>Expenditures:</b>			
Current:			
Judicial	-	-	-
Public safety	205,566	112,499	7,131
Housing and development	-	-	-
Intergovernmental	-	-	-
Capital outlay	-	-	-
Total expenditures	205,566	112,499	7,131
Excess (deficiency) of revenues over (under) expenditures	15,849	150	(3,031)
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	15,849	150	(3,031)
<b>Fund balances, beginning of year</b>	37,733	12,455	3,448
<b>Fund balances, end of year</b>	\$ 53,582	\$ 12,605	\$ 417

**Capital Projects**

2008 CDBG - Street and Drainage Project	2004 SPLOST	Total
\$ -	\$ -	\$ 345,658
-	10,348	10,348
-	-	3,015
-	18,842	165,716
-	-	22,765
-	-	141,010
-	4,012	4,146
-	-	342,235
-	33,202	1,034,893
-	-	220,378
-	-	1,122,845
-	-	76,899
-	19,086	19,086
-	1,616,315	1,616,315
-	1,635,401	3,055,523
-	(1,602,199)	(2,020,630)
-	-	45,721
(51)	-	(51)
(51)	-	45,670
(51)	(1,602,199)	(1,974,960)
51	1,875,568	2,664,945
\$ -	\$ 273,369	\$ 689,985

**SUMTER COUNTY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL  
OPTION SALES TAX PROCEEDS - 2004 ISSUE  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Project</u>	<u>Estimated Cost</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Recreation facilities and equipment	\$ 1,989,826	\$ 1,975,991	\$ 1,970,134	\$ 4,622	\$ 1,974,756
Public safety equipment, vehicles, and facilities	2,018,352	1,152,266	984,790	22,480	1,007,270
Water and drainage infrastructure improvements	345,000	220,000	61,341	121,388	182,729
Construction of county courthouse and administrative buildings	13,500,000	16,085,890	14,350,903	1,407,601	15,758,504
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	109,258	5,934	115,192
Renovation of senior center	40,000	40,000	2,144	35,448	37,592
Projects for the following cities:					
Andersonville	300,000	307,423	307,423	-	307,423
Desoto	58,786	58,786	24,551	9,357	33,908
Leslie	138,840	138,840	138,840	-	138,840
Plains	100,000	73,437	32,618	9,729	42,347
Road, street, and bridge improvements	1,750,000	188,180	107,484	-	107,484
	<u>\$ 22,000,000</u>	<u>\$ 22,000,000</u>	<u>\$ 19,669,256</u>	<u>\$ 1,616,559</u>	<u>\$ 21,285,815</u>
Intergovernmental revenue				18,842	
Total 2004 SPLOST Fund expenditures				<u>\$ 1,635,401</u>	

## SUMTER COUNTY, GEORGIA

### SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2007 ISSUE FOR THE YEAR ENDED JUNE 30, 2010

<u>Project</u>	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Humane Society facilities and equipment	\$ 300,000	\$ 300,000	\$ 275,912	\$ 15,991	\$ 291,903
Recreation facilities	1,530,000	1,530,000	1,464,390	143,877	1,608,267
Judicial complex facility improvements	1,000,000	1,000,000	130,735	782,734	913,469
Vehicle replacement plan	750,000	750,000	391,228	93,227	484,455
Fire service equipment and facilities	250,000	250,000	6,330	248,048	254,378
Public works heavy equipment	450,000	450,000	429,426	2,858	432,284
Public works infrastructure	6,000,000	5,000,000	153,572	1,931	155,503
Georgia State Patrol facility	1,900,000	1,900,000	174,785	454,250	629,035
Human services center	2,000,000	3,000,000	1,771,868	405,260	2,177,128
Jail/correctional institute renovation	2,000,000	2,000,000	951,870	104,630	1,056,500
Library facilities and resources	250,000	250,000	4,380	6,340	10,720
Library drainage remediation	100,000	100,000	2,500	1,000	3,500
Hospital construction	3,000,000	3,000,000	33,050	7,436	40,486
Projects for the following cities:					
Americus	4,307,288	4,307,288	1,112,006	134,104	1,246,110
Andersonville	359,000	359,000	69,258	3,480	72,738
Desoto	310,000	310,000	54,188	257,341	311,529
Leslie	551,000	551,000	191,397	230,931	422,328
Plains	342,712	342,712	115,165	72,762	187,927
Interest and project management	-	-	52,174	383,251	435,425
	<u>\$ 25,400,000</u>	<u>\$ 25,400,000</u>	<u>\$ 7,384,234</u>	<u>\$ 3,349,451</u>	<u>\$ 10,733,685</u>
				14,062	
				2,036,582	
				<u>\$ 5,400,095</u>	

## **AGENCY FUNDS**

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

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

**Clerk of Courts  
Probate Court  
Magistrate Court**

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

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

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

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

**SUMTER COUNTY, GEORGIA**

**COMBINING BALANCE SHEET  
AGENCY FUNDS  
JUNE 30, 2010**

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<u>ASSETS</u>	<u>Tax Commissioner</u>	<u>Clerk of Courts</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Sheriff</u>
Cash	\$ 72,760	\$ 62,526	\$ 276	\$ 4,800	\$ 231,820
Taxes receivable	1,384,192	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	<u>\$ 1,456,952</u>	<u>\$ 62,526</u>	<u>\$ 276</u>	<u>\$ 4,800</u>	<u>\$ 231,820</u>
 <u>LIABILITIES</u>					
Due to others	<u>\$ 1,456,952</u>	<u>\$ 62,526</u>	<u>\$ 276</u>	<u>\$ 4,800</u>	<u>\$ 231,820</u>

<u>Jail Inmate Fund</u>	<u>Correctional Institute Inmate Fund</u>	<u>ADR Fund</u>	<u>Total</u>
\$ 23,348	\$ 7,797	\$ 132,669	\$ 535,996
-	-	-	1,384,192
-	-	3,350	3,350
<u>\$ 23,348</u>	<u>\$ 7,797</u>	<u>\$ 136,019</u>	<u>\$ 1,923,538</u>
<u>\$ 23,348</u>	<u>\$ 7,797</u>	<u>\$ 136,019</u>	<u>\$ 1,923,538</u>

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**COMPLIANCE SECTION**

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CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

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**Board of Commissioners  
of Sumter County, Georgia  
Americus, Georgia**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Sumter County, Georgia (the "County") as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 20, 2010. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Sumter County Department of Public Health and Sumter County Livestock Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2010-1 through 2010-3 to be material weaknesses.

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A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2010-4 to be a significant deficiency.

**Compliance and Other Matters**

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

We also noted certain additional matters that we reported to the management of Sumter County, Georgia in a separate letter dated December 20, 2010.

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

This report is intended solely for the information and use of management and the Board of Commissioners of Sumter County, Georgia, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 20, 2010

# SUMTER COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

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### SECTION I SUMMARY OF AUDIT RESULTS

#### Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

#### Federal Awards

There was not an audit of major federal award programs as of June 30, 2010 due to the total amount expended being less than \$500,000.

### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

#### 2010 - 1. Revenue Cycle Transactions

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

Condition: The County did not appropriately record all transactions involving the County's receivable and revenue accounts during the year ended June 30, 2010.

Context: We addressed this matter with County officials who were able to determine all appropriate revenue and receivable entries that should be recorded as of June 30, 2010.

Effect: Audit adjustments to decrease cash in the amount of \$29,050, increase due from other governments in the amount of \$24,796, increase taxes receivable in the amount of \$198,910, increase deferred revenues in the amount of \$159,938, and increase revenues in the amount of \$34,717 were required to be reported by the General Fund as of June 30, 2010. An audit adjustment to increase due from other governments and revenues in the amount of \$14,062 was required to be reported in the 2007 SPLOST Fund as of June 30, 2010. Additionally, audit adjustments to decrease cash in the amount of \$10,422, increase taxes receivable in the amount of \$27,112, decrease accounts receivable in the amount of \$18,460, decrease due from other governments in the amount of \$8,566, and decrease revenues in the amount of \$10,336 were required to be reported in the nonmajor funds as of June 30, 2010.

# SUMTER COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

#### 2010 - 1. Revenue Cycle Transactions (Continued)

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

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

#### 2010 - 2. Expenditure Cycle Transactions

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

Condition: The County did not appropriately address the above criteria as it relates to accounts payable items that existed as of June 30, 2010 within the Capital Improvements Fund, 2007 SPLOST Fund, and nonmajor governmental funds. Additionally, the County did not appropriately adjust all accrued liability accounts to the proper amounts as of June 30, 2010.

Context: We addressed this matter with County officials and they were able to determine the amount of accounts payable that should be recorded as of June 30, 2010.

Effect: The following audit adjustments were required to be recorded as of June 30, 2010: 1) an adjustment to decrease accrued liabilities and expenditures in the amount of \$52,198 in the General Fund, 2) an adjustment to increase accounts payable and expenditures in the amount of \$62,713 in the Capital Improvements Fund; 3) an adjustment to increase accounts payable and expenditures in the amount of \$259,405 in the 2007 SPLOST Fund, and 4) adjustments to increase accounts payable in the amount of \$12,832, increase accrued liabilities in the amount of \$9,076, and increase expenditures in the amount of \$21,908 in the nonmajor governmental funds.

Recommendation: We recommend the County begin recognizing and recording accounts payable as required, and record the necessary adjustments to reflect the accounts payable balances at the conclusion of each financial reporting cycle. Additionally, the balances of all accrued liability accounts should be reviewed periodically to ensure the correct amount has been recorded.

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

# SUMTER COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

#### 2010 - 3. Solid Waste Fund Receivables

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

Condition: The County has not been properly recording revenue and receivables in the Solid Waste Fund and reconciling the amount at the end of each period.

Context: We addressed this matter with County officials, who determined the amount of the receivables which should be recorded as of June 30, 2010.

Effect: Audit adjustments to increase accounts receivable and revenues in the amount of \$110,878 was required to be reported by the Solid Waste Fund as of June 30, 2010.

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

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

#### 2010 - 4. Segregation of Duties

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

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

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

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

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

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

# SUMTER COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

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### SECTION II

#### FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

##### 2010 - 4. Segregation of Duties (Continued)

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

### SECTION III

#### FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not Applicable

# SUMTER COUNTY, GEORGIA

## SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2010

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### **2009 - 1. Revenue Cycle Transactions**

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

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

Auditee Response/Status: Unresolved. This is included in current finding number 2010-1.

### **2009 - 2. Expenditure/Expense Cycle Transactions**

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

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

Auditee Response/Status: Unresolved. This is included in current finding number 2010-2.

### **2009 - 3. Solid Waste Fund Receivables**

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

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

Auditee Response/Status: Unresolved. This is included in current finding number 2010-3.

### **2009 - 4. Fund Balance**

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

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

Auditee Response/Status: The above finding was corrected during fiscal year 2010 and is not included as a finding for the current year.

**SUMTER COUNTY, GEORGIA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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**2009 - 5. Segregation of Duties**

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

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

Auditee Response/Status: Unresolved. This is included in current finding number 2010-4.

**INDEPENDENT ACCOUNTANT'S REPORT  
ON LOCAL ASSISTANCE GRANTS**

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**To the Sumter County Board  
of Commissioners  
Americus, Georgia**

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Forms about Sumter County, Georgia's compliance during the year ended June 30, 2010, with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for Governor's Emergency Fund Grant #GEF-03-E01-78 and Local Assistance Grant #08-C-L-342. Management is responsible for Sumter County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Sumter County, Georgia's compliance based on our examination.

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

In our opinion, management's assertion that Sumter County, Georgia complied with the aforementioned requirement for the year ended June 30, 2010, is fairly stated, in all material respects.

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

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 20, 2010

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

LINE

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

	COLUMN 1 Current Year Activity	COLUMN 2 Cumulative Grant Activity
G	For the Year Ended: June 30, 2010	Through the Year Ended: June 30, 2010
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue) \$10,963.00	
I	Grant Receipts or Revenue Recognized \$0.00	\$14,503.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES \$0.00	\$3,540.00
K	Disbursements or Expenditures for Audit Fees \$0.00	\$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K] \$10,963.00	\$10,963.00

**Certification of Local Government Officials**

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

Signature of Chief Elected Official *Kurt Williams* Date November 22, 2010

Signature of Chief Financial Officer *Chris Beecher* Date November 22, 2010

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

LINE

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

	<u>COLUMN 1</u> Current Year Activity	<u>COLUMN 2</u> Cumulative Grant Activity
G	For the Year Ended: June 30, 2010	Through the Year Ended: June 30, 2010
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue) (\$4,500.00)	
I	Grant Receipts or Revenue Recognized \$4,500.00	\$18,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES \$0.00	\$18,000.00
K	Disbursements or Expenditures for Audit Fees \$0.00	\$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K] \$0.00	\$0.00

**Certification of Local Government Officials**

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

Signature of Chief Elected Official *Kevin Williams* Date November 22, 2010

Signature of Chief Financial Officer *Ann Baeft* Date November 22, 2010

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