BULLOCH COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Bulloch County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bulloch County, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Bulloch County Board of Health, a component unit, which represents 1.9%, 1.0%, and 3.0%, respectively, of the assets, net position, and revenues of Bulloch County, Georgia. We did not audit the financial statements of the Development Authority of Bulloch County, a component unit, which represents 16.4%, 19.5%, and 1.1%, respectively, of the assets, net position, and revenues of Bulloch County, Georgia.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bulloch County Board of Health, a component unit, which represents 1.9%, 1.0%, and 3.0%, respectively, of the assets, net position, and revenues of Bulloch County, Georgia. We did not audit the financial statements of the Development Authority of Bulloch County, a component unit, which represents 16.4%, 19.5%, and 1.1%, respectively, of the assets, net position, and revenues of Bulloch County, Georgia. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bulloch County Board of Health and the Development Authority of Bulloch County, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, 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 Bulloch County, Georgia, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bulloch County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and schedule of projects paid with SPLOST proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, schedule of projects paid with SPLOST proceeds, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, schedule of projects paid with SPLOST proceeds, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2016, on our consideration of Bulloch 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bulloch County, Georgia's internal control over financial reporting and compliance.

Lanier, Westerfield, Cook & Thorton

Statesboro, Georgia
December 9, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

- The County had total net position (assets exceeded liabilities) of $80,442,741 at 2016 fiscal year-end. That is $5,171,941 (or 6.87%) more than the total net position of $75,270,800 at 2015 fiscal year-end.

- Total net position is comprised of the following:

  (1) Net investment in capital assets of $59,090,310 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets. The figure for fiscal year 2015 was $57,659,113. That is an increase of $1,431,197 (or 2.48%) for fiscal year 2016.

  (2) Net position of $12,440,012 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations. That is $1,268,779 (or 11.36%) more than the fiscal year 2015 amount of $11,171,233.

  (3) Unrestricted net position of $8,912,419 represents the portion available to maintain the County's continuing obligations to citizens and creditors. This is a $2,471,965 (or 38.38%) increase from the fiscal year 2015 total of $6,440,454. Unrestricted net position increased in fiscal year 2015 by $65,636 and decreased in fiscal year 2014 by $622,291.

- The County's governmental funds reported total ending fund balance of $22,533,888 in fiscal year 2016 compared to $21,235,649 in fiscal year 2015. This is an increase of $1,298,239 (or 6.11%). This increase was largely due to increases in fund balances for SPLOST 07, SPLOST 13 and the General Fund. The General Fund showed an increase of $2,284,486 while SPLOST 13 showed an increase of $1,354,415 and SPLOST 07 showed an increase of $29,946. However, the combined SPLOST 02 and Series 2012 SPLOST GO bond funds saw a cumulative decrease of $2,562,054, derived from a $208,563 decrease in SPLOST 02, and a $2,353,491 decrease in SPLOST GO bonds. Other Non-major Governmental Funds increased by $191,446 for an ending fund balance of $2,565,616 at the end of fiscal year 2016.

- At the end of the current fiscal year, cumulative fund balance for the General Fund was $7,557,980 (or 21.5%) of total General Fund expenditures and operating transfers out. Of this balance, $974,719 was non-spendable, which includes amounts that are in a nonspendable form or are required to remain intact (inventories, endowment from a corpus fund, prepaid items, long-term loans and notes receivable etc.) $84,404 of the General Fund balance was restricted for recreation and greenspace projects. The remaining $6,498,857 was unassigned (such amounts are the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications). That compares to a cumulative fund balance of $5,273,494 (or 16.7%) of total General Fund expenditures and operating transfers out in fiscal year 2015.

- Overall, as the local economy continues to improve, the County's operating financial position has also improved. Thanks largely to low-debt and adequate liquidity, the County meets or exceeds most financial strength ratios. However, the 2008-2009 recession, similar to most local governments, created a structural budget deficit for Bulloch County that has only been balanced with the use of fund balance reserves. Fiscal year 2015 was the first year since fiscal year 2010 that the County saw a slight increase in fund balance, followed by a significant increase in fund reserves in fiscal year 2016, which places the county at a 21.5% ratio of fund balance to total expenditures. The county desires a 25% ratio of fund balance to total expenditures. Bulloch County aspires to continue increasing the fund balance in fiscal year 2017 and to move toward the goal of 25% ratio of fund balance to total expenditures. See the "financial analysis" section of this document for more detail.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Bulloch County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Bulloch County.

Basic Financial Statements

The first statements of the basic financial statements are the **Government-wide Financial Statements** of the County. They include a Statement of Net Position and a Statement of Activities concerning the County and it's discretely presented component units. The government-wide financial statements are presented on pages 20 and 21.

The next statements are **Fund Financial Statements.** These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements. The fund financial statements are presented on pages 22-31.

The next section of the basic financial statements is the **notes.** The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the Official Code of Georgia Annotated also can be found in this part of the statements. The **notes** are presented on pages 32-53.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County and its discretely presented component units' finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County and its discretely presented component units' financial status as a whole. The government-wide statements report the County and its discretely presented component units' net position and how they have changed. Net position is the difference between total assets and total liabilities. Measuring net position is one way to gauge the County and its discretely presented component units' financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the County's basic services such as general government, public safety, public works, sanitation, community and economic development, and community services. Property taxes and sales taxes finance most of these activities. Also included in governmental activities are multiple special revenue funds where transfers are used to help fund deficits where user charges are insufficient to fund the full direct costs. These activities include, among others, the airport and E-911. A summary of the County's discretely presented component units is also included. The county provides partial funding to these units as a part of governmental activities.

The business-type activities are those that assess a charge or user fee to the customers whom they provide services. These activities include the Aquatic Center and the Agribusiness Center. However, due to the continuous need for transfers from the General Fund to the Agribusiness Center to cover deficit operations, and to alleviate the accounting burden, the Agribusiness Center was consolidated into the General Fund as of June 30, 2016. The County also has two internal service funds. The Employee Health Insurance Fund accounts for employee paid premiums collected as revenues, and claims paid to a third party administrator for employee health insurance related expenses. The Correctional Food Service Fund charges fees for food services to the County's correction facilities.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. 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. Bulloch County, like all other governmental entities in Georgia, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements or standards, such as the Official Code of Georgia Annotated, Generally Accepted Accounting Principles and the Governmental Accounting Standards Board. All of the funds of Bulloch County can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds: Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs.

The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Bulloch County adopts an annual budget for its General Fund, as required by the Official Code of Georgia Annotated 36-81-3. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

The basic governmental fund financial statements are presented on pages 22-27 of this report.

Proprietary Funds: Proprietary funds are reported in the fund financial statements and generally report services for which the County assesses fees or user charges. Two of the County's proprietary funds are classified as enterprise funds: the Aquatic Center Fund and the Agribusiness Center Fund. These enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Two of the County's proprietary funds are internal service funds: the Employee Health Insurance Fund and the Correctional Food Service Fund. The Employee Insurance Fund is an internal service fund to account for transactions for the self-funded county group health insurance plan.

The basic proprietary fund financial statements are presented on pages 28-30 of this report.

Agency Funds: Agency funds are used to account for assets the County holds on behalf of the Sheriff, Emergency Medical Services, Probation, the Clerk of Courts, Probate Court, the Magistrate Court, Bulloch County Correctional Institute, and the Tax Commissioner.

The basic agency fund financial statement is presented on page 31 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 32 of this report.

Supplementary Information

In addition to the basic financial statements and accompanying note disclosures, this report also presents certain required supplementary information concerning the County's budget presentations. The budgetary comparison statement is included as a basic financial statement for the general fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the County's adopted and final revised budget.

During the fiscal year, the Board of Commissioners adopted by resolution several budget amendments, or revisions, to the original budget resolutions. As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in this section of this report beginning on page 54.

Financial Analysis of the County as a Whole

Financial Strength

As a part of examining the County's past financial trends, Bulloch County financial staff annually measure key financial ratios used by both the credit industry and the Government Finance Officers Association to determine liquidity and debt capacity. These ratios reflect the period ending June 30, 2016 for governmental activities. Below is a description of the indicators used.

Current Ratio: This is a measure of the County's ability to meet short-term debt obligations; the higher the ratio, the more liquid the entity is. Current ratio is equal to current assets divided by current liabilities. If the current assets of a county are more than twice the current liabilities, then that county is generally considered to have good short-term financial strength. If current liabilities exceed current assets, then the county may have problems meeting its short-term obligations.
Total Debt to Equity Ratio: This is a measure of the County's financial leverage calculated by dividing long-term debt by total net position. It indicates what proportion of equity and debt the entity is using to finance its assets.
Working Capital (also called Net Current Assets): This is a measure of current assets minus current liabilities. Working capital measures how much in liquid assets the County has available for operations and growth. The number can be positive or negative, depending on how much debt is carried. In general, counties that have a lot of working capital will be more successful since they can expand and improve their operations and infrastructure. Counties with negative working capital may lack the funds necessary for growth.
Current Liabilities Ratio: Current liabilities are those obligations that are currently due at the end of a fiscal year plus the portion of long-term debt that will become due during the next fiscal year. Current liabilities include accounts payable, short-term debt, accrued liabilities, and current maturities of long-term debt.
Operating Position: This is a measure of the unrestricted balance or portion of net position available, either in the General Fund, or in an enterprise fund as a percentage of annual operating revenue. This measure shows the ability to withstand financial emergencies or to accumulate funds for capital purchases without having to borrow.
Ratio of General Debt Outstanding: This measure is the amount of general obligation debt in the form of bonds backed by the full faith and credit of the government.
Debt Limit Ratio: Direct debt is bonded debt for which the local government has pledged its full faith and credit. This long-term debt indicator uses assessed valuation in the denominator and assumes that property taxes are the primary source of debt repayment. This indicator does not include capital lease obligations since they are not "legal" debt.
Legal Debt Margin: This is the actual amount which the local government can pledge its full faith and credit.

Net Direct Long-Term Debt Per Capita: This measure indicates the net direct obligation of total general obligation debt divided by the population of the community.

Financial Strength Ratios	2016 Governmental Activities	2015 Governmental Activities	Standard	2016Adherence to Standard
Current Ratio	4.29	3.5	2.0 or >	***Positive***
Total Debt to Equity Ratio	0.114	0.167	1.0 or <	***Positive***
Working Capital	$21,969,674	$20,027,600	NA (1)	***NA (1)***
Current Liabilities Ratio	0.087	0.117	0.05 or <	***Negative***
Operating Position	0.175	0.132	0.25 or >	***Negative***
Ratio of General Debt Outstanding	0.0%	0.0%	0.0%	***Positive***
Debt Limit Ratio	0.0%	0.0%	0.0%	***Positive***
Legal Debt Margin	100.0%	100.0%	100.0%	***Positive***
Net Direct Long-Term Debt Per Capita	$171.64	$184.53	NA (1)	***NA (1)***

(1) NA - Not applicable.

Upon examining Bulloch County financial ratios against developed standards, it's noted that with exception to current liabilities and operating position, the other ratios indicate favorable or positive financial strength.

Summary of Net Position

As noted earlier, Bulloch County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County had total net position (assets exceeded liabilities) of $80,442,741 at 2016 fiscal year-end compared to the fiscal year 2015 figure of $75,270,800. The following table provides a summary of the County's net position:

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage of Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Assets								
Current Assets	28,653,668	28,050,839	131,966	455,615	28,785,634	28,506,454	29.4%	29.3%
Capital Assets	63,351,463	60,188,794	5,672,695	8,467,476	69,024,158	68,656,270	70.6%	70.7%
Total Assets	**92,005,131**	**88,239,633**	**5,804,661**	**8,923,091**	**97,809,792**	**97,162,724**	**100.0%**	**100%**
Liabilities								
Current Liabilities	6,683,994	8,023,239	605,848	631,721	7,289,842	8,654,960	42%	39.5%
Long-Term Liabilities	8,712,316	11,474,384	1,364,893	1,762,580	10,077,209	13,236,964	58%	60.5%
Total Liabilities	**15,396,310**	**19,497,623**	**1,970,741**	**2,394,301**	**17,367,051**	**21,891,924**	**100.0%**	**100.0%**
Net Position								
Net Investment in Capital Assets	55,172,298	51,328,770	3,918,012	6,330,343	59,090,310	57,659,113	73.5%	76.6%
Restricted – Capital Projects	9,874,396	8,698,873	-	-	9,874,396	8,698,873	12.2%	11.5%
Restricted – Other Purposes	2,565,616	2,472,360	-	-	2,565,616	2,472,360	3.2%	3.3%
Unrestricted	8,996,511	6,242,007	(84,092)	198,447	8,912,419	6,440,454	11.1%	8.6%
Total Net Position	**76,608,821**	**68,742,010**	**3,833,920**	**6,528,790**	**80,442,741**	**75,270,800**	**100.0%**	**100.0%**

The County reported an increasing balance in total net position in the amount of $7,866,811 (or 11.4%) for governmental funds and decreasing total net position in the amount of $2,694,870 (or 41.3%) for business-type activities. This is largely attributed to the consolidation of the Agribusiness Center enterprise fund balance in the amount of $2,366,259 into the General Fund at the end of fiscal year 2016.

Note that in fiscal year 2016 and 2015, respectively 73.5% and 76.6% of the total net position was invested in capital assets, net of debt. This documents that the County continues to invest adequately in the capital assets needed to provide services, with minimal reliance on debt for capital investment. For governmental activities, unrestricted net position increased from 9.1% of total net position to 11.7% between fiscal years 2015 and 2016. For business-type activities, unrestricted net position decreased substantially from fiscal year 2015 to 2016, due to the consolidation of the Agribusiness Center fund into the General Fund. However, total unrestricted net position still increased from 8.6% to 11.1% of total net position at the end of fiscal year 2016.

Summary of Changes in Net Position

	2016				2015			
	Governmental Activities	Business Activities	Total	Percentage of Total	Governmental Activities	Business Activities	Total	Percentage of Total
Program Revenues								
Fees, Fines, Charges for Services	12,176,118	1,955,014	14,131,132	24.8%	11,934,048	2,178,056	14,112,104	27.2%
Operating Grants and Contributions	1,299,453		1,299,453	2.3%	1,348,961		1,348,961	2.7%
Capital Grants and Contributions	3,626,935		3,626,935	6.4%	1,466,511		1,466,511	2.8%
General Revenues								
Taxes	37,549,170		37,549,170	65.9%	34,486,175		34,486,175	66.4%
Other	373,912		373,912	0.6%	474,217		474,217	0.9%
Total Revenues	**55,025,588**	**1,955,014**	**56,980,602**	**100.0%**	**49,709,912**	**2,178,056**	**51,887,968**	**100.0%**
Program Expenses								
General Government	4,439,402		4,439,402	8.6%	4,559,742		4,559,742	8.5%
Judicial	3,373,532		3,373,532	6.5%	3,279,096		3,279,096	6.2%
Public Safety	21,270,792		21,270,792	41.1%	20,762,882		20,762,882	38.9%
Public Works	7,463,122		7,463,122	14.4%	7,674,363		7,674,363	14.4%
Sanitation	4,554,937		4,554,937	8.8%	4,348,549		4,348,549	8.2%
Health and Welfare	392,179		392,179	0.8%	461,999		461,999	0.9%
Libraries and Recreation	5,386,882		5,386,882	10.4%	4,942,127		4,942,127	9.3%
Airport	750,905		750,905	1.4%	800,289		800,289	1.5%
Housing and Development	1,284,833		1,284,833	2.5%	3,566,863		3,566,863	6.7%
Education	431,735		431,735	0.8%	403,248		403,248	0.7%
Interest	179,896		179,896	0.3%	198,061		198,061	0.4%
Aquatic Center		2,043,461	2,043,461	3.9%		2,109,641	2,109,641	4.0%
Agribusiness Center		236,985	236,985	0.5%		169,139	169,139	0.3%
Total Expenses	**49,528,215**	**2,280,446**	**51,808,661**	**100.0%**	**50,997,219**	**2,278,780**	**53,275,999**	**100.0%**
Excess (Deficiency)	5,497,373	(325,432)	5,171,941		(1,287,307)	(100,724)	(1,388,031)	
Transfers	2,369,438	(2,369,438)			150,100	(150,100)		
Change in Net Position	7,866,811	(2,694,870)	5,171,941		(1,137,207)	(250,824)	(1,388,031)	
Beginning Net Position	**68,742,010**	**6,528,790**	**75,270,800**		**69,879,217**	**6,779,614**	**78,496,766**	
Ending Net Position	**76,608,821**	**3,833,920**	**80,442,741**		**68,742,010**	**6,528,790**	**75,270,800**	

Governmental Activities: Revenues

Bulloch County is one of only eight counties out of 159 in Georgia that do not receive any of the 1% Local Option Sales Tax (LOST). A local Constitutional Amendment was passed by the Georgia General Assembly in the 1981 Session (Georgia Laws, 1981, p. 1931) which called for a referendum on the question of whether or not the local option sales tax should go to the Bulloch County Board of Education, with a dollar for dollar reduction in the school property tax. The referendum passed on November 2, 1982. Since that time, this money has gone to the Bulloch County Board of Education. Since most Georgia counties and cities negotiate a formula to distribute LOST proceeds among themselves, the absence of this availability puts Bulloch County's basic units of local government at a distinct disadvantage relative to almost all the other cities and counties in the state. Ultimately, it means that the county government and its municipalities have to rely more heavily on the local property tax and user fees than these other cities and counties. For example, although fiscal year 2016 figures are unavailable at this time, if the county and municipal governments had split $10,442,935 in local option sales taxes in fiscal year 2015 collected by the Board of Education, Bulloch County could have potentially realized as much as 58% of LOST funds in additional revenue, if distribution were made between the county and municipalities based on population.

However, Bulloch County and its municipalities do share the proceeds of a 1% Special Purpose Local Option Sales Tax (SPLOST), which has passed referendums successively in 1997 and 2002 for five-year terms; and 2007 for a six-year term; and 2013 for a six-year term. At first glance it appears that the County may be heavily reliant on sales taxes to support governmental operations. In fiscal year 2016, sales taxes of $10,223,603 out of $55,025,588 in total governmental funds revenues (or 18.6%) were received from SPLOST 2013. However, all SPLOST proceeds are defined by law to be spent on capital outlays, not operating costs.

The County has been able to earn $6,801 in fiscal year 2016, and $7,741 in fiscal year 2015, in interest to support governmental activities. Also, note that program revenues covered 34.5% in fiscal year 2016, and 28.9% in fiscal year 2015 of governmental operating expenses. This means that the government's taxpayers and the other general revenues funded the remaining 65.5% in fiscal year 2016, and 71.1% in fiscal year 2015 of the governmental activities.

Property taxes are an important source of revenue to Bulloch County's General Fund. In fiscal year 2016, property tax revenues were $22,602,670 (or 59.6% of total general fund revenues), and in fiscal year 2015, were $19,572,516 (or 61.9% of total general fund revenues). This further illustrates the County's high dependence on property tax sources noted above.

Governmental Activities: Functional Expenses

Public safety is the county's largest functional cost, comprising 42.9% of the County's total governmental activity expenses in fiscal year 2016, followed by Public Works (15.1%) and Libraries and Recreation (10.9%). In fiscal year 2015, those figures were 40.7%, 15.0% and 9.7% respectively. The following table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

	Governmental Activities			
	2016		2015	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General Government	4,439,402	(3,092,646)	4,559,742	(3,233,277)
Judicial	3,373,532	(2,418,980)	3,279,096	(2,410,081)
Public Safety	21,270,792	(13,975,509)	20,762,882	(13,298,394)
Public Works	7,463,122	(4,336,695)	7,674,363	(6,532,226)
Sanitation	4,554,937	(3,764,542)	4,348,549	(3,659,089)
Health and Welfare	392,179	(392,179)	461,999	(461,999)
Recreation	4,843,280	(2,902,734)	4,398,621	(2,725,229)
Libraries	543,602	(543,602)	543,506	(543,506)
Airport	750,905	244,425	800,289	174,504
Housing and Development	1,284,833	(1,063,351)	3,566,863	(3,360,340)
Education	431,735	-	403,248	(1)
Interest	179,896	(179,896)	198,061	(198,061)
Total	**49,528,215**	**(32,425,709)**	**50,997,219**	**(36,247,699)**

For fiscal year 2016, all functions except Education and the Airport required a subsidy from general revenues comprising 65.5% of all expenses. For fiscal year 2015, all functions except the Airport required a subsidy from general revenues comprising 71.1% of all expenses.

Business-Type Activities: Revenues vs. Expenses

For fiscal year 2016, the aggregate operating revenues for the county enterprise funds were 10.2% below those of 2015 and operating expenses were 2.08% below fiscal year 2015. Within the total business type activities of the County, these activities reported aggregate operating loss of $197,372 in fiscal year 2016 compared to an operating loss of $20,075 in fiscal year 2015. After non-operating expense and transfers in and out between other funds, these funds reported a combined loss of $2,694,870 in fiscal year 2016 compared to a loss of $250,824 in fiscal year 2015. However, the consolidation of the Agribusiness Center Fund into the General Fund contributed $2,366,259 or 87.8% of this loss.

Business-Type Activities: Operating Income (Loss)

	2016		2015	
	Amount	Percent Change	Amount	Percent Change
Aquatic Center Fund	($111,098)	(269.06%)	$65,714	3,767.1%
Agribusiness Center Fund	($86,274)	(0.57%)	($85,789)	(1.2%)

Operating income before transfers for the Aquatic Center Fund (Splash in the 'Boro) decreased in fiscal year 2016 with operating revenues decreasing by $229,756 or 10.97%, while operating expenses decreased $52,944 or 2.61%, resulting in a 269.06% decrease in annual operating income.

The operating income for the Agribusiness Center Fund decreased by 0.57% in fiscal year 2016. Operating revenues increased, while operating expenses before depreciation increased by 7.75%. In fiscal year 2016, operations consisted of rental income to help support the 30,000 square foot office complex that house several agribusiness

related governmental entities. The rental largely supported the direct operating expenses when building depreciation is not factored into rental prices or costs.

The County also began transferring resources from the business-type activities beginning in fiscal year 2006. $150,100 was transferred out of the Aquatic Center Fund to the general fund in 2016. The County transfers resources between its business-type funds and its governmental funds for the following reasons:

- The County has developed a formula based allocation for charges to its enterprise funds that take the form of transfers out of these funds to help cover the costs of overhead services from the General Fund or other governmental funds. These costs include the various staff departments, such as personnel, finance, purchasing, and records, as well as part of the County Manager's time. If these enterprise funds were privately owned, the County would be entitled to property taxes on the property in service, net of accumulated depreciation, similar to other private service providers. These transfers are made in lieu of property taxes.

- Periodically, capital improvements or investments must be made to enhance the use by the customers and occupants of these facilities. Where appropriated, the Board of Commissioners makes available budgeted resources for transfers into these enterprise funds from the Special Purpose Local Option Sales Tax for these enhancements. This relieves subsidies from property tax payers who commit resources through the General Fund. Because at least one-third of all sales taxes are generated from consumers living outside of Bulloch County, these consumers in fact provide additional tax relief for county taxpayers who may otherwise have to commit local dollars toward the improvement of these facilities.

- Since the County's taxpayers are in fact the investors who started and financed these operations, they are being rewarded with a comparable return on equity in the form of lower property taxes. This return can be made while still maintaining fee or user charges that are at or below the market prices offered by comparable private companies.

- Hosting a sizable regional university and numerous other governmental and non-profit entities results in a considerable amount of property not being subject to property taxation. However, services such as emergency services, courts, road improvements and repair, and sanitation must be provided and expanded as needed, and must be funded from general revenues. Transfers between the enterprise funds and the General Fund help offset this burden, while sharing it more equitably among all citizens and institutions.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $22,533,888 in fiscal year 2016, compared to $21,235,649 in fiscal year 2015. Of these year-end totals in fiscal year 2016, $1,077,945 was non-spendable, $15,073,529 was restricted and $6,382,414 was unassigned.

The total ending fund balances of governmental funds show an increase in fiscal year 2016 of $1,298,239 (or 6.11%) compared to a decrease in fiscal year 2015 of $6,692,358 (or 24.0%). The increase in total ending fund balances of governmental funds in fiscal year 2016 is attributed to the increase in each of the governmental funds with exception of the Sales Tax Bond Construction Fund and the SPLOST 02 Fund.

Total taxes in governmental funds were $2,930,264 (or 8.47%) more than in fiscal year 2015. Charges for services increased by $229,765 (or 2.5%) in fiscal year 2016.

The governmental funds' expenditures decreased by $2,946,324 (or 5.18%), in fiscal year 2016 due largely to the decrease in capital expenditures from SPLOST funds which is driven by the County's strategy of matching expenditures with available funds to manage cash flow.

The County's overall cash flow can vary greatly from month to month. The reason for this is that property tax revenues, which comprise approximately one-half of the General Fund revenue stream, peak during the December-February time line. While other General Fund revenues come in during months when property taxes do not, there exists a declining cash flow environment from March to November. This is why having a standard of 25% of expenditures in the General Fund balance is critical. The standard provides adequate cash flow to handle these monthly fluctuations, while providing a cushion against any major unexpected events, with a residual benefit of improving the County's credit rating when it needs to borrow.

Major Governmental Funds

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by $2,284,486 in fiscal year 2016.

The Proprietary Funds

The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Each of the fund statements give detailed information about their financial condition, in addition to the Financial Analysis of the County as a whole.

Internal Service Funds

The County has two internal service funds, the Employee Health Insurance internal service fund and the Correctional Food Service internal service fund. While the General Fund subsidizes the Correctional Food Service fund, the Employee Health Insurance internal service fund had an increase in net position of $335,347 for the year ended June 30, 2016 due to an increase in premiums revenue and a decrease in claims expense compared to fiscal year 2015. This fund had claims liability of $425,000 at June 30, 2016 compared to $515,000 at the end of fiscal year 2015.

Agency Funds

An agency fund is used to account for assets held for other funds, governments or individuals. Bulloch County maintains eight agency funds. A statement of fiduciary assets and liabilities for the agency funds is presented on page 31.

Budgetary Highlights

The General Fund – Overall, the County recognized revenues equal to $36,989,832 or 99.0% of the budgeted revenues in the appropriated budget. Overall, the County recognized expenditures equal to $35,034,544 or 99.7% of the budgeted expenditures in the appropriated budget.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2016 was $69,024,158. That compares to the fiscal year 2015 investment of $68,656,270.

The fiscal year 2016 totals in net investment increased by $3,162,669 (or 5.25%) for governmental activities and decreased by $2,794,781 (or 33.01%) for business-type activities. The overall increase was $367,888 (or 0.54%) for the County as a whole. ***See Note 6*** for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2016	2015	2016	2015	2016	2015
Non-depreciable Assets						
Land	3,790,809	3,534,937	73,305	329,177	3,864,114	3,864,114
Construction in Progress	854,397	3,878,304	7,500	60,647	861,897	3,938,951
Total Non-Depreciable	**4,645,206**	**7,413,241**	**80,805**	**389,824**	**4,726,011**	**7,803,065**
Depreciable Assets						
Buildings	47,689,543	41,644,783	4,208,744	7,042,188	51,898,287	48,686,971
Improvements Other Than Buildings	7,572,153	7,426,341	5,219,852	5,347,052	12,792,005	12,773,393
Machinery and Equipment	26,384,720	24,901,255	635,103	625,562	27,019,823	25,526,817
Infrastructure	128,800,959	124,048,370	-	-	128,800,959	124,048,370
Total Depreciable Assets	**210,447,375**	**198,020,749**	**10,063,699**	**13,014,802**	**220,511,074**	**211,035,551**
Less Accumulated Depreciation	**151,741,118**	**145,245,196**	**4,471,809**	**4,937,150**	**156,212,927**	**150,182,346**
Book Value: Depreciable Assets	**58,706,257**	**52,775,553**	**5,591,890**	**8,077,652**	**64,298,147**	**60,853,205**
Percentage Depreciated	**72.1%**	**73.3%**	**44.44%**	**37.9%**	**70.8%**	**71.2%**
Total Book Value	**63,351,463**	**60,188,794**	**5,672,695**	**8,467,476**	**69,024,158**	**68,656,270**

The County began reporting its governmental infrastructure constructed each year in fiscal year 2003. The only change in infrastructure between fiscal year 2015 and fiscal year 2016 were additions to the local road system. The decrease in the Business Activities assets is primarily due to the consolidation of the Agribusiness Center Fund into the General Fund at the end of fiscal year 2016. In the County's business type activities, 44.4% of the asset values were depreciated at June 30, 2016, compared to 37.9% for fiscal year 2015.

At June 30, 2016, the depreciable capital assets for governmental activities were 72.1% depreciated. This percentage is consistent with the fiscal year 2015 amount of 73.3%. ***This indicates, that overall, the County is replacing capital assets at a rate near depreciation expense. The County is trying to maintain and not increase machinery, equipment and infrastructure because of the impact of the recent recession.***

Long-term Debt

In July 2012, the County issued $12,000,000 in General Obligation Sales Tax Bonds Series 2012 primarily to fund economic development, including but not limited to land acquisition and site development and the construction of water and sewer infrastructure located within proximity to Exit 116 at the I-16 and US Route 301 interchange in Bulloch County. To the extent that there are additional bond proceeds remaining, such proceeds will be applied to fund infrastructure, land acquisition or other improvements to an industrial park being developed jointly by the Development Authority of Bulloch County and the Board of Commissioners at I-16 and US-301. The annual debt service requirements run through Fiscal Year 2020. For both governmental and business type-activities, Bulloch County has $13,143,807 of outstanding long-term debt in the form of capital leases, notes payable and General Obligation Sales Tax Bonds Series 2012, excluding compensated absences. Since 1994, the county has entered into various capital lease agreements for equipment. As they currently exist, they are expected to be paid off by 2020. There are two notes payable to the Georgia Environmental Facilities Authority with outstanding principal amounts of $26,083 with maturity occurring in 2018 and an outstanding balance of $521,705 with maturity occurring in 2032. The smaller note is for the acquisition of property for the future Fletcher Memorial Recreation Park. The larger note is for the expansion of the county's solid waste recycling processing center. Additionally, there is a note payable to Synergistic for acquisition of software for the Sheriff's department. The outstanding principal balance of $102,380 will mature in 2020. The largest note payable in the amount of $1,754,683 resides in the current Aquatic Center Expansion, which took place during 2009. However, as an enterprise activity, this debt is paid for within the fund, which revenues are generated solely by user fees.

The governmental activities reported capital leases of $1,225,226, a net decrease of $819,479 or 40.1% from 2015. Notes Payable decreased by $50,585 (or 7.2%). Compensated absences increased by $19,547 or 3.0% in fiscal year 2016. The county continues to aggressively follow its plan to pay down its long-term debt obligations in an effort to improve its financial operating position and to maintain structural budget integrity.

Long-Term Debt Obligations

	Governmental Activities		Business-Type		Totals	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Capital Leases	1,225,226	2,045,705	-	-	1,225,226	2,045,705
Notes Payable	650,168	700,753	1,754,683	2,137,133	2,404,851	2,837,886
Bonds Payable	8,839,667	11,002,678	-	-	8,839,667	11,002,678
Compensated Absences	666,736	647,189	7,327	9,629	674,063	656,818
Total	**11,381,797**	**14,396,325**	**1,762,010**	**2,146,762**	**13,143,807**	**16,543,087**

See Notes 7, 8, 9, and 10 for additional information about the County's long-term debt.

Economic Conditions Affecting the County

According to key economic indicators, the 2016 fiscal year finally saw Bulloch County's local economy beginning to recover from the state and national recession in 2008-2009.

In the first half of calendar year 2012, the local economy began to realize a bottoming-out of the economic decline from the preceding two years, followed by mild growth in 2013 through 2016. Georgia Southern University continues its steady planned enrollment and campus facilities expansion, which has resulted in a substantial increase in student housing on and off campus. Bulloch County also continued its commitment to nurture existing industry and businesses that complement its existing business mix, planning the development of a new industrial park and interstate commercial center at I-16 and US 301 with the investment of Special Purpose Local Option Sales Tax general obligation bonds to develop infrastructure. Continued public infrastructure investment was aided by the establishment of a 30-year tax allocation (increment financing) district approved by County voters, along with a renewed Special Purpose Local Option Sales Tax in November 2011.

Both Briggs and Stratton and Viracon have stable manufacturing operations in Bulloch County. The Wal-Mart Distribution Center remains the most active high-volume warehousing center of its kind within the corporation. Great Dane Trailers, LLC began operations of a 450,000 square foot manufacturing facility in April 2012, employing up to 400 workers. In mid 2014, Viracon, an architectural glass manufacturer began a $2 million capital expansion, adding 125 new additional jobs. The City of Statesboro is aggressively expanding its commercial base and retail activity. The twelve-year old county-operated Splash in the 'Boro Aquatic Center and Water Park had another outstanding season, after a $4.1 million expansion in fiscal year 2009, drawing over 60 percent of its nearly 160,000 annual customers from outside Bulloch County. Finally, being on the boundary of the Savannah metropolitan area offers advantages to Bulloch County from a regional perspective. The Savannah MSA is poised to be among the state's fastest recovering regions, especially in the economic sectors related to job growth, tourism, retail, real estate and finance, and information services. The expanding activity of the Port of Savannah, along with the prospect of a harbor expansion project to attract Panamax sized ships, will spur the construction of additional warehouse space for processing for import-export distribution in the region.

In order for Bulloch County to retain its excellent quality of life advantages, the community will have to address many critical issues on its horizon. A primary issue is to address the gradual shifting of the County's economic base from manufacturing to increasing growth in the government, retail, services and construction sectors. Another challenge is to marshal continued growth in the manufacturing sector to retain diversification. Of course, there is intense competition by other communities in the region for new economic development projects. This competition is requiring new models of incentives and inducements that will require the County to be selective and prudent in their use.

The following key economic indicators reflect the economic condition of the County.

- ***Positive-to-Neutral:*** With the official 2010 Census enumeration, Bulloch County population's in April 2010 was estimated at 70,217. The 2015 Census inter-censal population estimate released in 2016 was 72,651, which is a 0.8% increase from 2014 estimates. Inter-censal estimates, often based on annual building permit data, reflected a cooling of the accelerated building of apartments in the City of Statesboro in 2010 and 2011. Trends are now emerging that show growth in single-family housing construction.
- ***Positive:*** While the per capital income for the 2016 calendar year is not yet available, indicators from prior years are as follows: Per capita income for Bulloch County increased from $28,062 in 2014 to $29,258 in 2015, or 4.3%.
- ***Negative:*** County sales taxes collections in fiscal year 2016 decreased by 1.7% from $10,404,271 in fiscal year 2015 to $10,223,603. Sales tax growth has been relatively static due to the implementation of various tax reform initiatives by the Georgia General Assembly.
- ***Positive:*** The County's employed workforce increased from 32,838 to 33,490 (or 2.0%) from June 2015 to June 2016.
- ***Positive:*** The monthly unemployment rate for Bulloch County in June 2016 was 5.2%, which was below the level of 5.7% at the end of the prior fiscal year. However, the local rate was nearly equal to the state rate and above the national rate of 4.9%, still falling below the desired rate for frictional unemployment.
  Positive: The Consumer Price Index for the Urban South Consumers increased by 0.78% during the Fiscal Year 2016 period, which is slightly higher than the 0.53% increase in the national rate.
- ***Positive:*** The comprehensive net countywide tax digest increased 1.4% from $1,749,523,899 in 2015 to $1,774,736,378 in 2016.
- ***Positive:*** The average weekly wage rates increased in June 2016 by 4.61% from June 2015.
- ***Positive:*** While data for the 2016 calendar year is not yet available, indicators from prior years were positive; single-family building permits increased in Bulloch County and its municipalities from 158 units in Calendar Year 2014 to 232 units in 2015, a 46.8% increase.
- ***Positive:*** While data for the 2015 calendar year is not yet available, indicators from the prior years were neutral; model-based estimates indicate that the poverty rate in Bulloch County has decreased from 31.4% in 2014 to 29.9% in 2015.

It is clear that in the short-term, there are still lingering effects from the recent recession. Yet, Bulloch County has a growing population and is positioned for a strong recovery thanks to its emergence as a regional center for post-secondary education, health care facilities and specialties, and retail and general business services. There is also potential spin-off growth occurring in the greater Savannah area.

Our short-term projection for fiscal year 2017 is that the statewide economy will continue to grow modestly, but virtually all segments of the local and regional economy, will experience growth at a slightly lower rate.

The following represents a qualitative forecast for the local economy for the forward fiscal year ending June 30, 2017.

- Growth and output will increase marginally in all sectors of the local economy, but at modest rates.
- Growth in the labor markets and job creation is likely to increase moderately.
- Short-term inflation is a threat as a recovery takes hold; however, it is dependent on monetary policy and actors in the global market place; the long-term inflation outlook is positive.
- Capital investments, profits, and personal income and investment will grow as the result of continued frugality by businesses and consumers.
- Consumer spending will increase at a better rate due to higher employment, pent up demand and increases in saving and decreases in personal debt. However, spending will be tempered by slower wage growth.

From a long-term perspective, the national and state economies may be significantly affected by many factors, including a growing national debt and trade deficit, monetary issues and health care costs, inflation, increased demands on Social Security as baby-boomers near retirement, the slow recovery of the housing market, threat/acts of terrorism and potential geopolitical instability.

The most critical factor affecting County finances going forward will be whether revenue growth can accelerate without a property tax rate increase at some point in the future. However, several elastic sources of revenue are

likely to remain static. If the economy continues to improve as anticipated, there will be approximately a 12-18 month lag for more significant overall revenue growth rates that would be sustainable for a three-to-four year period, if the economy does not decline.

Summary

In summary, at the close of June 30, 2016, Bulloch County government currently has adequate, slowly rising financial strength and liquidity. It has a strong capital asset base and minimal debt compared to other counties of its size in Georgia.

The operating position, particularly in the key General Fund, declined in prior fiscal years, reaching lows experienced in fiscal year 2007. Fiscal year 2016 is the second year of growth in the General Fund since fiscal year 2010. Fund balance was $5.1 million at the close of fiscal year 2015 and $7.5 million at the close of fiscal year 2016.

In the last several fiscal years, the County has attempted to restrict expenditure growth by minimizing employee wage increases and deferring or eliminating certain operating and capital expenditures. To leverage cash flow, the County institutes limited purchases of needed machinery and equipment through capital or operating leases, relying on SPLOST funds rather than the General Fund where possible. The County has also invested local and federal funds to lower telephone and electric utility costs by retrofitting facilities with energy efficiency fixtures and voice-over-internet protocol phone systems. Several County departments also raised fees and user charges where discretion prevailed, to cover the full cost of providing the service. Furthermore, the County continues to restructure administrative functions, and has periodically and internally audited specific operations for better efficiencies. However, the increasing demand for services by local citizens, unfunded mandates from higher levels of government for additional services, and extraordinary inflation place pressure on some of these austerity measures.

In Fiscal Year 2008, the Board of Commissioners adopted a general ad valorem property tax increase that included a five-year reserve stabilization plan for the General Fund. Bulloch County exceeded its goal in the third year of the plan (FYE 2011) by increasing the unreserved general fund balance to an ideal ratio of 25.4%. However, the steady decline in fund balance in prior fiscal years put the county over $3 million below its goal of having a 25.0% unreserved fund balance ratio.

Six-Year General Fund Reserve Performance

Fiscal Year	2011	2012	2013	2014	2015	2016
Projected Surplus ($)	**844,000**	**877,000**	**912,000**	-	-	**500,000**
Actual/ Surplus ($)	134,231	(1,207,483)	(1,195,064)	(650,226)	123,623	2,284,486
FYE Fund Balance ($ in mil.)	7.942	6.734	5.539	4.890	5.175	7.558
Projected Budget ($ in mil.)	31.3	31.9	32.0	31.9	31.6	36.9
FYE Fund Balance Ratio (%)	25.4	21.1	17.3	15.3	16.3	21.7

Proposed General Fund Reserve Stabilization Plan Through 2020

Fiscal Year	2017	2018	2019	2020
Projected Surplus ($)	**600,000**	**600,000**	**600,000**	**600,000**
FYE Fund Balance ($ in mil.)	8.158	8.758	9.358	9.958
Projected Budget ($ in mil.)	37.5	37.5	38.0	38.5
FYE Fund Balance Ratio (%)	21.8	23.4	24.6	25.9

The 2008-2009 recession clearly had a negative impact on County finances, particularly the General Fund. The Board of Commissioners attempted to weather the recessionary effects without raising the general millage rate. Meanwhile, the County's General Fund budget has remained steady at a $31-$32 million level to maintain the existing level of service. In FY 2016, the County moved Parks and Recreation activities away from a special

revenue fund and added it to the General Fund to ease accounting efficiency. A few other special revenue funds were also moved into the General Fund. This increased the General Fund budget to approximately $36.9 million in fiscal year 2016.

In fiscal year 2016, a general property tax increase was approved at a level of 1.91 mills, raising the M & O millage rate to 12.34 mills. As the County moves forward through 2020, it must take initiatives to adjust service levels to meet the demands of a growing population, despite popular disdain for property tax increases – while at the same time rebuilding fund reserves to a more preferred level with sufficient revenue. The 2015-2020 General Fund Reserve Stabilization reflects this approach. However, this still means that expenditures must be controlled. This will require the following long-term initiatives:

- An examination of the personnel compensation plan that reflects future workforce changes and attrition.
- Leveraging SPLOST capital outlay funds for technology and sustainability improvements.
- Establishing budget accounts for fund reserve stabilization, contingencies and capital outlay to supplement stagnating SPLOST revenues caused by on-going exemptions granted by the State of Georgia.
- Collaboration with local and regional units of government in service delivery initiatives.
- Accelerating economic development initiatives to broaden the commercial and industrial tax base, with incentives policies that do not cause significant erosion or opportunity costs.

The County will be looking at five key implementation items in fiscal year 2017 to continue improving both general efficiency and financial results. They are:

- Recommendation of minimal, strategic pay increases for FY 2017, with no reduction in services.
- Continued implementation of hardware and software upgrades to improve enterprise resource planning for improved management oversight.
- On-going reorganization and improvement of revenue management functions for more timely collections. Restructuring some existing personnel and tasks to form a centralized revenue collection function to improve treasury management and compliance with mandated procedures.
- Utilizing the aforementioned initiatives to progress toward true position control budgeting, fund accounting and a full-fledged modified accrual accounting system.
- Continuing to retrofitting of facilities with energy efficiency and voice-over-internet telephone systems to achieve utility cost savings.

Currently, the County's other special revenue, enterprise and internal fund structures are operating mostly in a favorable condition. However, the General Fund must closely monitor all of these funds to minimize or, in many cases, avoid increased subsidies.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, you may contact:

Thomas Couch County Manager	Andy Welch Assistant County Manager	Whitney Richland Chief Financial Officer	115 North Main Street Statesboro, Ga 30458 (912)764-6245

BULLOCH COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Bulloch County Board of Health	Development Authority of Bulloch County
ASSETS					
Current Assets:					
Cash	$ 23,182,739	$ 194,820	$ 23,377,559	$ 1,659,954	$ 2,229,609
Receivables:					
Taxes	552,581	-	552,581	-	-
Intergovernmental	3,012,719	-	3,012,719	110,258	-
Internal balances	66,286	(66,286)	-	-	-
Other	751,064	3,432	754,496	-	-
Prepaid items	1,040,135	-	1,040,135	-	-
Inventories	48,144	-	48,144	-	-
Total Current Assets	28,653,668	131,966	28,785,634	1,770,212	2,229,609
Capital Assets:					
Nondepreciable capital assets	4,645,206	80,805	4,726,011	-	10,923,031
Depreciable capital assets, net	58,706,257	5,591,890	64,298,147	85,621	2,895,373
Total Capital Assets	63,351,463	5,672,695	69,024,158	85,621	13,818,404
Total Assets	92,005,131	5,804,661	97,809,792	1,855,833	16,048,013
DEFERRED OUTFLOWS OF RESOURCES					
Resources related to pensions	-	-	-	145,987	-
LIABILITIES					
Current Liabilities:					
Accounts payable	2,811,353	138,129	2,949,482	-	20,479
Accrued payroll	537,814	64,235	602,049	-	-
Accrued interest payable	124,165	6,367	130,532	-	-
Unearned revenue	116,181	-	116,181	-	349,684
Claims payable	425,000	-	425,000	-	-
Compensated absences payable	133,347	1,465	134,812	26,582	-
Bonds payable	1,950,000	-	1,950,000	-	-
Capital leases payable	530,043	-	530,043	-	-
Notes payable	56,091	395,652	451,743	-	-
Total Current Liabilities	6,683,994	605,848	7,289,842	26,582	370,163
Long-Term Liabilities:					
Compensated absences payable (net of current portion)	533,389	5,862	539,251	26,581	-
Net pension obiligation liability	-	-	-	1,084,964	-
Bonds payable (net of current portion)	6,889,667	-	6,889,667	-	-
Capital leases payable (net of current portion)	695,183	-	695,183	-	-
Notes payable (net of current portion)	594,077	1,359,031	1,953,108	-	-
Total Long-Term Liabilities	8,712,316	1,364,893	10,077,209	1,111,545	-
Total Liabilities	15,396,310	1,970,741	17,367,051	1,138,127	370,163
DEFERRED INFLOWS OF RESOURCES					
Resources related to pensions	-	-	-	86,951	-
NET POSITION					
Net investment in capital assets	55,172,298	3,918,012	59,090,310	85,621	13,818,404
Restricted for:					
Capital projects	9,874,396	-	9,874,396	-	-
Other purposes	2,565,616	-	2,565,616	574,609	1,859,446
Unrestricted	8,996,511	(84,092)	8,912,419	116,682	-
Total Net Position	$ 76,608,821	$ 3,833,920	$ 80,442,741	$ 776,912	$ 15,677,850

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Program/Function	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Bulloch County Board of Health	Component Units: Development Authority of Bulloch County
Primary Government									
Governmental Activities									
General government	$ 4,439,402	$ 882,558	$ 464,198	-	$ (3,092,646)	-	$ (3,092,646)		
Judicial	3,373,532	840,859	113,693	-	(2,418,980)	-	(2,418,980)		
Public safety	21,270,792	7,152,492	130,945	$ 11,846	(13,975,509)	-	(13,975,509)		
Public works	7,463,122	97,780	-	3,028,647	(4,336,695)	-	(4,336,695)		
Sanitation	4,554,937	668,395	122,000	-	(3,764,542)	-	(3,764,542)		
Health and welfare	392,179	-	-	-	(392,179)	-	(392,179)		
Recreation	4,843,280	1,745,459	34,470	160,617	(2,902,734)	-	(2,902,734)		
Libraries	543,602	-	-	-	(543,602)	-	(543,602)		
Airport	750,905	567,093	2,412	425,825	244,425	-	244,425		
Housing and development	1,284,833	221,482	-	-	(1,063,351)	-	(1,063,351)		
Education	431,735	-	431,735	-	-	-	-		
Interest and fiscal charges	179,896	-	-	-	(179,896)	-	(179,896)		
Total governmental activities	49,528,215	12,176,118	1,299,453	3,626,935	(32,425,709)	-	(32,425,709)		
Business-type Activities									
Aquatic Center	2,043,461	1,864,950	-	-	-	$ (178,511)	(178,511)		
Agribusiness Center	236,985	90,064	-	-	-	(146,921)	(146,921)		
Total business-type activities	2,280,446	1,955,014	-	-	-	(325,432)	(325,432)		
Total - Primary Government	$ 51,808,661	$ 14,131,132	$ 1,299,453	$ 3,626,935	(32,425,709)	(325,432)	(32,751,141)		
Component Units:									
Bulloch County Board of Health	$ 1,457,839	$ 576,311	$ 1,060,379	$ -				$ 178,851	-
Development Authority of Bulloch County	1,786,021	368,513	250,000	-				-	$ (1,167,508)
Total Component Units	$ 3,243,860	$ 944,824	$ 1,310,379	$ -				178,851	(1,167,508)
		General Revenues							
		Property taxes levied for:							
		General purposes			22,602,670	-	22,602,670	-	-
		Fire protection			1,490,243	-	1,490,243	-	-
		Streetlight tax districts			69,736	-	69,736	-	-
		Sales taxes			10,223,603	-	10,223,603	-	-
		Insurance premium tax			2,078,615	-	2,078,615	-	-
		Other taxes			1,084,303	-	1,084,303	-	-
		Interest earned			3,219	-	3,219	-	3,182
		Other			370,693	-	370,693	-	-
		Total General Revenues			37,923,082	-	37,923,082	-	3,182
		Transfers			2,369,438	(2,369,438)	-	-	-
		Total General Revenues and Transfers			40,292,520	(2,369,438)	37,923,082	-	3,182
		Change in Net Position			7,866,811	(2,694,870)	5,171,941	178,851	(1,164,326)
		Net Position Beginning of Year			68,742,010	6,528,790	75,270,800	598,061	16,842,176
		Net Position End of Year			$ 76,608,821	$ 3,833,920	$ 80,442,741	$ 776,912	$ 15,677,850

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General	Sales Tax Bonds Construction	SPLOST 02	SPLOST 07	SPLOST 13	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash	$ 7,340,085	$ 2,535,896	$ 4,186,116	$ 207,314	$ 4,342,378	$ 2,510,981	$ 21,122,770
Receivables:							
Taxes	531,391	-	-	-	-	21,190	552,581
Intergovernmental	309,109	-	-	400,000	2,179,590	124,020	3,012,719
Other	117,898	-	-	688	29,402	243,451	391,439
Due from other funds	208,589	-	862	20,644	140,565	-	370,660
Prepaid items	974,719	334	-	-	18,507	36,241	1,029,801
Inventories	-	-	-	-	-	48,144	48,144
TOTAL ASSETS	$ 9,481,791	$ 2,536,230	$ 4,186,978	$ 628,646	$ 6,710,442	$ 2,984,027	$ 26,528,114
LIABILITIES							
Accounts payable	$ 770,644	-	$ 1,385	$ 500,000	$ 1,128,838	$ 360,952	$ 2,761,819
Accrued payroll liabilities	515,052	-	-	-	-	19,655	534,707
Due to other funds	140,565	$ 275	-	-	21,506	14,678	177,024
Unearned revenue	109,770	-	-	-	-	6,411	116,181
TOTAL LIABILITIES	1,536,031	275	1,385	500,000	1,150,344	401,696	3,589,731
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	387,780	-	-	-	-	16,715	404,495
FUND BALANCES							
Nonspendable	974,719	334	-	-	18,507	84,385	1,077,945
Restricted	84,404	2,535,621	4,185,593	128,646	5,541,591	2,597,674	15,073,529
Unassigned	6,498,857	-	-	-	-	(116,443)	6,382,414
TOTAL FUND BALANCES	7,557,980	2,535,955	4,185,593	128,646	5,560,098	2,565,616	22,533,888
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 9,481,791	$ 2,536,230	$ 4,186,978	$ 628,646	$ 6,710,442	$ 2,984,027	$ 26,528,114

See accompanying note to the basic financial statements.

BULLOCH COUNTY, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Fund Balances		$ 22,533,888
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	$ 215,092,581	
Less accumulated depreciation	(151,741,118)	63,351,463
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds:		
Property taxes		404,495
The internal service fund is used by management to charge the costs of the employee health self insurance program to individual funds and the cost of the correctional food service to appropriate funds. Certain assets and liabilities of the internal service funds are included in the governmental activities column in the statement of net position.		1,824,937
Long-term liabilities, including capital leases, notes payable, bonds payable, compensated absences, and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds but are reported on the statement of net position:		
Accrued interest payable	$ (124,165)	
Bonds payable	(8,839,667)	
Capital leases payable	(1,225,226)	
Notes payable	(650,168)	
Compensated absences	(666,736)	(11,505,962)
Net Position Of Governmental Activities		$ 76,608,821

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General	Sales Tax Bonds Construction	SPLOST 02	SPLOST 07	SPLOST 13	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Taxes	$ 25,708,947	-	-	-	$ 10,223,603	$ 1,575,819	$ 37,508,369
Licenses and permits	454,243	-	-	-	-	-	454,243
Charges for services	7,129,207	-	-	-	-	2,182,978	9,312,185
Fees, fines and forfeitures	1,534,733	-	-	-	-	281,643	1,816,376
Intergovernmental	1,457,657	-	-	$ 46,820	2,336,570	1,081,759	4,922,806
Interest	3,185	$ 330	-	2,830	422	34	6,801
Other	701,860	-	-	-	-	262,147	964,007
Total revenues	36,989,832	330	-	49,650	12,560,595	5,384,380	54,984,787
EXPENDITURES							
Current:							
General government	4,311,882	-	-	-	-	-	4,311,882
Judicial	3,144,865	-	-	-	-	3,948	3,148,813
Public safety	15,863,928	-	-	-	-	3,059,084	18,923,012
Public works	2,714,923	-	-	-	-	73,538	2,788,461
Sanitation	2,293,510	-	-	-	-	-	2,293,510
Health and welfare	354,607	-	-	-	-	-	354,607
Recreation	4,379,184	-	-	-	-	-	4,379,184
Libraries	535,374	-	-	-	-	-	535,374
Airport	-	-	-	-	-	559,169	559,169
Housing and development	1,004,536	-	-	-	-	12,642	1,017,178
Capital outlay							
General government	-	-	-	1,197	300,679	-	301,876
Judicial	-	-	-	-	73,745	-	73,745
Public safety	-	-	-	-	680,802	319,509	1,000,311
Sanitation	-	-	-	-	2,104,426	-	2,104,426
Public works	-	-	-	-	3,179,242	1,029,561	4,208,803
Recreation	-	-	$ 208,563	-	198,857	-	407,420
Airport	-	-	-	-	383,670	-	383,670
Housing and development	-	77,121	-	-	5,077	-	82,198
Debt service:							
Principal	-	1,900,000	-	18,213	839,642	13,209	2,771,064
Interest	-	376,700	-	294	50,721	30,419	458,134
Intergovernmental	431,735	-	-	-	3,389,319	-	3,821,054
Total expenditures	35,034,544	2,353,821	208,563	19,704	11,206,180	5,101,079	53,923,891
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,955,288	(2,353,491)	(208,563)	29,946	1,354,415	283,301	1,060,896
OTHER FINANCING SOURCES (USES)							
Transfers in	369,305	-	-	-	-	-	369,305
Transfers out	(45,007)	-	-	-	-	(91,855)	(136,862)
Sale of capital assets	4,900	-	-	-	-	-	4,900
Total other financing sources (uses)	329,198	-	-	-	-	(91,855)	237,343
NET CHANGE IN FUND BALANCES	2,284,486	(2,353,491)	(208,563)	29,946	1,354,415	191,446	1,298,239
FUND BALANCES, JULY 1, 2015, AS RESTATED	5,273,494	4,889,446	4,394,156	98,700	4,205,683	2,374,170	21,235,649
FUND BALANCES, JUNE 30, 2016	$ 7,557,980	$ 2,535,955	$ 4,185,593	$ 128,646	$ 5,560,098	$ 2,565,616	$ 22,533,888

See accompanying notes to the basic financial statements

BULLOCH COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Amounts reported for governmental activities in the statement of activities are different because:			
Net Change In Fund Balances - Total Governmental Funds			$ 1,298,239
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 as depreciation expense. This is the amount by which capitalized capital outlays exceeded depreciation expense in the current period.			
	Depreciation expense	$ (5,599,031)	
	Capital outlay	6,525,936	926,905
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			
	Property taxes:		
	Unavailable @ 6/30/16	404,495	
	Unavailable @ 6/30/15	(363,694)	40,801
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.			(12,421)
The internal service fund used by management to charge the costs of the employee health insurance program to individual funds and the cost of the correctional food service to appropriate funds is not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.			335,347
Other financing sources for the inception of capital leases and proceeds from notes payable are reported on the fund level operating statement but are reported as a liability on the government-wide financial statements.			-
Governmental funds report the effects of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of this difference in the treatment of long-term debt and related items.			263,011
Repayment of notes, bonds and capital leases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			2,771,064
Transfers out of capital assets from an enterprise fund are not reflected in the governmental funds.			2,248,185
Some expenses reported in the statement of activities, such as accrued interest payable and compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			(4,320)
Change In Net Position of Governmental Activities			$ 7,866,811

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 22,553,000	$ 22,864,975	$ 22,558,671	$ (306,304)
Alcoholic beverage	285,000	271,638	271,638	-
Insurance premium	1,980,000	2,078,615	2,078,615	-
Other	707,000	800,022	800,023	1
Licenses and permits	420,200	454,283	454,243	(40)
Charges for services	6,719,952	7,107,949	7,129,207	21,258
Fines and forfeitures	1,392,040	1,533,506	1,534,733	1,227
Intergovernmental	1,262,745	1,563,708	1,457,657	(106,051)
Interest	2,550	3,185	3,185	-
Other	628,370	671,219	701,860	30,641
Total revenues	35,950,857	37,349,100	36,989,832	(359,268)
EXPENDITURES				
Current:				
General government:				
Governing body	126,024	124,874	124,874	-
County manager	315,541	294,519	297,968	(3,449)
County clerk	77,965	75,809	75,809	-
Financial administration	494,675	464,147	464,147	-
Staff attorney	190,691	190,768	190,768	-
Human resources	162,560	173,234	174,134	(900)
Personnel services	459,500	150,000	-	150,000
Public relations	17,600	31,031	31,031	-
General administration fees	58,000	57,732	57,732	-
Elections	280,000	254,927	254,927	-
General government buildings	706,568	706,568	736,468	(29,900)
Risk management/General insurance	501,000	465,676	465,676	-
Tax assessor	672,143	673,959	673,959	-
Geographic information system	136,805	137,799	137,799	-
Tax commissioner	654,600	625,977	626,590	(613)
Total general government	4,853,672	4,427,020	4,311,882	115,138
Judicial:				
Clerk of Courts	793,818	789,071	789,194	(123)
Superior Court	259,000	259,000	289,590	(30,590)
State Court	278,339	274,453	274,453	-
Mental health Court	134,554	112,482	112,482	-
State Court Solicitor	195,544	188,220	188,220	-
District Attorney	296,700	296,700	296,700	-
Indigent defense	346,210	332,036	332,036	-
Magistrate Court	584,776	595,442	595,442	-
Probate Court	302,075	268,870	266,748	2,122
Total judicial	3,191,016	3,116,274	3,144,865	(28,591)
Public safety:				
Animal control	165,146	174,541	174,541	-
Animal shelter	264,883	295,972	295,972	-
Coroner	94,010	94,010	97,670	(3,660)
County correctional	1,910,976	1,929,942	1,925,554	4,388
Public safety administration	251,300	261,547	261,547	-
Probation	572,778	582,974	582,974	-
Emergency medical service	2,738,082	2,492,383	2,485,231	7,152
Jail	3,761,984	3,962,567	3,954,023	8,544
Sheriff	3,636,569	3,483,373	3,472,153	11,220
Seized drug funds	2,800	43,507	43,507	-
Criminal investigations	627,857	624,818	624,818	-
Crime suppression	783,339	886,899	886,899	-
Court security/Sheriff	1,055,944	1,063,132	1,059,039	4,093
Total public safety	15,865,668	15,895,665	15,863,928	31,737

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Public works:				
Roads	$ 2,616,026	$ 2,417,487	$ 2,412,370	$ 5,117
Fleet management	294,310	301,478	302,553	(1,075)
Total public works	2,910,336	2,718,965	2,714,923	4,042
Sanitation	2,190,371	2,293,486	2,293,510	(24)
Health and welfare:				
Health department	166,000	166,000	166,000	-
Other health and welfare	195,800	188,607	188,607	-
Total health and welfare	361,800	354,607	354,607	-
Recreation	4,159,470	4,353,126	4,379,184	(26,058)
Libraries	535,300	535,300	535,374	(74)
Housing and development:				
Agricultural resources	221,433	219,511	219,511	-
Building inspections	256,800	219,396	219,396	-
Planning and zoning	200,309	198,655	198,655	-
Engineering	103,474	116,974	116,974	-
Economic development	250,000	250,000	250,000	-
Total housing and development	1,032,016	1,004,536	1,004,536	-
Intergovernmental - Bulloch County Board of Education	400,000	431,735	431,735	-
Total expenditures	35,499,649	35,130,714	35,034,544	96,170
EXCESS OF REVENUES OVER EXPENDITURES	451,208	2,218,386	1,955,288	(263,098)
OTHER FINANCING SOURCES (USES)				
Transfers in	390,000	366,960	369,305	2,345
Transfers out	(45,000)	(16,160)	(45,007)	(28,847)
Sale of capital assets	25,000	4,900	4,900	-
Total other financing sources (uses)	370,000	355,700	329,198	(26,502)
NET CHANGE IN FUND BALANCE	$ 821,208	$ 2,574,086	2,284,486	$ (289,600)
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED			5,273,494	
FUND BALANCE, END OF YEAR			$ 7,557,980	

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business Type Activities - Enterprise Funds			Governmental Activities
	Aquatic Center	Agribusiness Center	Total	Internal Service Funds
ASSETS				
Current Assets				
Cash	$ 194,820	$ -	$ 194,820	$ 2,059,969
Accounts receivable	3,432	-	3,432	359,625
Prepaid expense		-		10,334
Total Current Assets	198,252	-	198,252	2,429,928
Noncurrent Assets				
Capital Assets				
Land	73,305	-	73,305	-
Buildings and improvements	9,428,596	-	9,428,596	-
Machinery and equipment	635,103	-	635,103	-
Construction in progress	7,500	-	7,500	-
Less accumulated depreciation	(4,471,809)	-	(4,471,809)	-
Total Capital Assets	5,672,695	-	5,672,695	-
Total Assets	5,870,947	-	5,870,947	2,429,928
LIABILITIES				
Current Liabilities				
Accounts payable	138,129	-	138,129	49,534
Accrued payroll	64,235	-	64,235	3,107
Accrued interest payable	6,367	-	6,367	-
Unearned revenue	-	-	-	-
Note payable	395,652	-	395,652	-
Claims payable	-	-	-	425,000
Compensated absences payable	1,465	-	1,465	-
Due to other funds	66,286	-	66,286	127,350
Total Current Liabilities	672,134	-	672,134	604,991
Long-Term Liabilities				
Compensated absences payable (net of current portion)	5,862	-	5,862	-
Note payable (net of current portion)	1,359,031	-	1,359,031	-
Total Long-Term Liabilities	1,364,893	-	1,364,893	-
Total Liabilities	2,037,027	-	2,037,027	604,991
NET POSITION				
Net investment in capital assets	3,918,012	-	3,918,012	-
Unrestricted	(84,092)	-	(84,092)	1,824,937
Total Net Position	$ 3,833,920	$ -	$ 3,833,920	$ 1,824,937

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business Type Activities - Enterprise Funds			Governmental Activities
	Aquatic Center	Agribusiness Center	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	$ 1,864,950	-	$ 1,864,950	$ 951,523
Premiums	-	-	-	4,515,756
Rents	-	$ 90,064	90,064	-
Total operating revenues	1,864,950	90,064	1,955,014	5,467,279
OPERATING EXPENSES				
Salaries and benefits	797,595	-	797,595	116,448
Materials and supplies	479,407	76,012	555,419	841,186
Purchased/contracted services	251,812	21,124	272,936	541,093
Depreciation	447,234	79,202	526,436	-
Claims	-	-	-	3,522,015
Total operating expenses	1,976,048	176,338	2,152,386	5,020,742
OPERATING INCOME (LOSS)	(111,098)	(86,274)	(197,372)	446,537
NON-OPERATING REVENUE (EXPENSE)				
Loss on disposition of capital assets	-	(2,308,832)	(2,308,832)	-
Interest expense	(67,413)	-	(67,413)	-
Total non-operating revenue (expense)	(67,413)	(2,308,832)	(2,376,245)	-
INCOME (LOSS) BEFORE TRANSFERS	(178,511)	(2,395,106)	(2,573,617)	446,537
TRANSFERS IN (OUT)	(150,100)	28,847	(121,253)	(111,190)
CHANGE IN NET POSITION	(328,611)	(2,366,259)	(2,694,870)	335,347
NET POSITION, JULY 1, 2015	4,162,531	2,366,259	6,528,790	1,489,590
NET POSITION, JUNE 30, 2016	$ 3,833,920	$ -	$ 3,833,920	$ 1,824,937

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business Type Activities - Enterprise Funds			Governmental Activities
	Aquatic Center	Agribusiness Center	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 1,861,518	$ 83,853	$ 1,945,371	-
Cash received from internal charges	-	-	-	$ 5,749,939
Cash payments to employees for salaries and benefits	(785,342)	-	(785,342)	(115,650)
Cash payments for supplies and services	(436,023)	(105,852)	(541,875)	(1,250,553)
Cash payments for claims	-	-	-	(3,940,866)
Net cash provided (used) by operating activities	640,153	(21,999)	618,154	442,870
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out)	(150,100)	28,847	(121,253)	(111,190)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on note payable	(382,450)	-	(382,450)	-
Interest paid on note payable	(67,413)	-	(67,413)	-
Purchase of capital assets	(40,487)	-	(40,487)	-
Net cash provided (used) by capital and related financing activities	(490,350)	-	(490,350)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(297)	6,848	6,551	331,680
CASH AND CASH EQUIVALENTS, JULY 1, 2015	195,117	(6,848)	188,269	1,728,289
CASH AND CASH EQUIVALENTS, JUNE 30, 2016	$ 194,820	$ -	$ 194,820	$ 2,059,969
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ (111,098)	$ (86,274)	$ (197,372)	$ 446,537
Adjustments:				
Depreciation	447,234	79,202	526,436	-
(Increase) decrease in operating assets:				
Accounts receivable	(3,432)	-	(3,432)	(328,851)
Prepaid items	-	-	-	-
Due from other funds	267,346	-	267,346	282,660
Increase (decrease) in operating liabilities:				
Accounts payable	(38,436)	(8,716)	(47,152)	14,710
Due to other funds	66,286	-	66,286	127,350
Claims payable	-	-	-	(90,000)
Accrued payroll	14,555	-	14,555	798
Unearned revenue	-	(6,211)	(6,211)	-
Compensated absences payable	(2,302)	-	(2,302)	-
Net cash provided (used) by operating activities	$ 640,153	$ (21,999)	$ 618,154	$ 453,204

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

JUNE 30, 2016

ASSETS	
Cash	$ 781,069
LIABILITIES	
Due to other entities and individuals	$ 781,069

See accompanying notes to the basic financial statements.

Bulloch County, Georgia (the "County") operates under a Commissioner – County Manager form of Government. The County is governed by a board of seven commissioners elected by the voters of the County.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

A brief description of the County's discretely presented component units follows:

Development Authority of Bulloch County (the Authority) – The Authority was created under Georgia statue to promote the industrial and economic development of Statesboro and Bulloch County. The County appoints a majority of the Authority's board members, approves the Authority's budget, and provides a significant portion of the Authority's revenues. Complete financial statements for the Authority can be obtained from their administrative office at:

Development Authority of Bulloch County
102 South Main Street
Statesboro, Georgia

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bulloch County Board of Health – The Bulloch County Board of Health provides health care services and health education to residents of Bulloch County. The Health Department receives financial support from Bulloch County, Georgia, the State of Georgia and the Federal Government. The County Commission appoints a majority of the Board of Directors. Complete financial statements for the Bulloch County Board of Health can be obtained from their administrative office at:

Bulloch County Board of Health
1 West Altman Street
Statesboro, Georgia

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements – The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes, grants and the County's general revenues, from business-type activities, generally financed in whole or part with service charges to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the County and it's discretely presented component units.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements – During the year, the County segregates transactions related to certain County functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental funds are reported in separate columns with composite columns for non-major funds. Fiduciary funds are reported by type.

Fund Accounting – The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

SPLOST 02, SPLOST 07 and SPLOST 13 Funds – These funds account for the special purpose local option sales tax collected pursuant to a referendum for various capital improvements within the County.

Sales Tax Bonds Construction Fund – This fund accounts for the general obligation sales tax bonds proceeds to be used for acquisition and construction of major capital assets primarily related to the development of a new industrial park.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The following are the County's major enterprise funds:

Aquatic Center – This fund accounts for the activities at the County's recreational water park at Mill Creek Regional Park.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Agribusiness Center – This fund accounts for the activities associated with the operation of the Agribusiness Center building owned by the County. As of June 30, 2016, this fund was closed out into the General Fund.

Fiduciary Funds – Fiduciary fund reporting focuses on net position. The County's fiduciary funds are agency funds. These agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Constitutional officers use these funds to temporarily hold assets.

1-C. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

At the fund reporting level, the governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue – Non-exchange Transactions – Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

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

On both the governmental fund financial statements and the government-wide financial statements, revenues are reported as unearned for grants and entitlements received before eligibility requirements are met (e.g., cash advances).

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Net Position

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or United States Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. The Statesboro/Bulloch County Airport special revenue fund reported an allowance for uncollectibles of $4,250 at June 30, 2016.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due from/to other funds." These amounts are eliminated in the governmental and business-type activities columns on the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances on this statement. These amounts are ultimately eliminated from the total column on the statement of net position.

Consumable Inventories

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the County fund financial statements. Capital assets utilized by proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in proprietary funds' statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads and bridges. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by enterprise funds is capitalized. There was no interest capitalized for the year ended June 30, 2016.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All reported capital assets are depreciated except for land, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	15-40 years
Improvements other than buildings	15-40 years
Machinery and equipment	5-15 years
Infrastructure	12-60 years

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

The total compensated absences liability is reported on the government-wide financial statements. Proprietary funds report the total compensated absences liability in each individual fund at the fund reporting level. Governmental funds report the compensated absences liability at the fund reporting level only "*when due.*"

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Notes and capital leases are recognized as a liability in the governmental fund financial statements when due.

Debt, Premiums, Discounts, and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statements of net position, debt premiums and discounts are netted against the debt payable. On the government-wide and proprietary fund type statement of activities, debt premiums and discounts are amortized over the life of the debt using the effective interest method and debt issuance costs are expensed in the current period.

At the governmental fund reporting level, debt premiums and discounts are reported as other financing sources and uses, separately from the face amount of the debt issued. Debt issuance costs are reported as debt service expenditures.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows of resources as of June 30, 2016. It does have a component unit that has deferred outflows of resources related to pensions on the statement of net position.

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

Fund Equity

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

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

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e. items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners also may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the Board of Commissioners' intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County Manager to assign fund balances.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County's policy is to maintain an adequate general fund unassigned fund balance to provide liquidity in the event of an economic downturn or natural disaster. Through resolution, the Board of Commissioners has adopted a financial standard to maintain an average general fund minimum unassigned fund balance equivalent to three months of annual budgeted expenditures.

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

- Committed
- Assigned
- Unassigned

Net Position – Net position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for the use of the Aquatic Center, rents collected for the Agribusiness Center, premiums collected for the employee insurance internal service fund, and charges for services by the correctional food service internal service fund. Operating expenses are necessary costs incurred to provide the goods or service that are the primary activity of each fund and include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the nonoperating revenues/expenses section in proprietary funds. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated. Transfers between governmental and business-type activities are eliminated from the total column.

Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County adopts an annual operating budget for the general fund, each special revenue fund and capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

All budgets are adopted on a basis consistent with GAAP.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. The County Manager may approve budget transfers within departments. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of Commissioners.

During the year, the Board of Commissioners approved budget revisions.

All unexpended annual appropriations lapse at year-end.

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations for the year ended June 30, 2016 in the following departments for the general fund:

	General Fund
County manager	$ 3,449
Human resources	900
General government buildings	29,900
Tax commissioner	613
Clerk of Courts	123
Superior court	30,590
Coroner	3,660
Fleet management	1,075
Sanitation	24
Recreation	26,058
Libraries	74

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

The overexpenditures in these areas were funded by underexpenditures in other areas.

Expenditures exceeded appropriations in the following special revenue funds and these overexpenditures were funded by additional revenues over amounts budgeted and/or by available fund balance.

	Overexpenditures
BCCI Inmate fund	$ 23,011
Jail inmate phone fund	115,809
Urban fire district	12,433
Jail commissary	2,049
Rural fire fund	7,595
Sheriff's confiscated assets	68,154

Deficit Fund Balance

The Rural Fire Protection Fund had a deficit fund balance of $116,443 at June 30, 2016 which the County plans to eliminate with future fire tax revenue and operating transfers from the general fund.

NOTE 3 – DEPOSITS

At June 30, 2016, the carrying amount of the County's deposits (checking and certificates of deposit) was $24,158,628, and the bank balance was $25,470,454. Of the bank balance, $1,570,009 was covered by federal depository insurance and $23,900,445 was collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Discretely Presented Component Units

The carrying amount of deposits for the Development Authority of Bulloch County was $2,229,609 and the bank balance was $1,860,714 of which $250,000 was covered by federal depository insurance and $1,610,714 was collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

The carrying amount of deposits for the Bulloch County Board of Health was $1,659,954 and the bank balance was $1,662,720 which was covered by FDIC insurance or pledged securities held in the Health Department's name.

NOTE 4 – PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about October 20th of each year and are payable within sixty days. The County bills and collects its own property taxes and also collects taxes for the Bulloch County Board of Education, State of Georgia and cities within the County. Collection of the County's taxes and for the other government agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in an Agency Fund. County property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in

NOTE 4 – PROPERTY TAXES (Continued)

60 days). For the year ended June 30, 2016, property taxes were levied on August 4, 2015, and were due December 1, 2015.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2016 is as follows:

Receivable Fund	Payable Fund	Amount
General	E-911	$ 6,312
	Grants	821
	Jail Add-On Fee	7,545
	Sales Tax Bonds Construction	275
	Employee Health Insurance	127,350
	Aquatic Center	66,286
SPLOST 02	SPLOST 13	862
SPLOST 07	SPLOST 13	20,644
SPLOST 13	General	140,565
Total		$ 370,660

Interfund balances at June 30, 2016 represent reimbursable expenses and temporary loans. The County expects to repay all interfund balances within one year.

Interfund transfers for the year ended June 30, 2016, consisted of the following:

	Transfers From:				
Transfers To:	General Fund	Non-major Governmental Funds	Aquatic Center	Employee Insurance	Total
General Fund	-	$ 91,855	$ 150,100	$ 127,350	$ 369,305
Agribusiness Center	$ 28,847	-	-	-	28,847
Correctional Food Service	16,160	-	-	-	16,160
Total	$ 45,007	$ 91,855	$ 150,100	$ 127,350	$ 414,312

Transfers from the general fund were used primarily to help fund the Agribusiness Center enterprise fund and correctional food service internal service fund. Transfers to the general fund from other funds represent reimbursements for indirect costs paid by the general fund.

NOTE 6 – CAPITAL ASSETS

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

	Balance 07/01/15 As restated	Additions	Deductions	Balance 06/30/16
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 3,534,937	$ 255,872	-	$ 3,790,809
Construction in progress	3,878,304	854,397	$ 3,878,304	854,397
Total capital assets not being depreciated	7,413,241	1,110,269	3,878,304	4,645,206
Capital assets being depreciated:				
Buildings	41,644,783	6,044,760	-	47,689,543
Improvements other than buildings	7,426,341	145,812	-	7,572,153
Machinery and equipment	25,755,992	1,590,771	962,043	26,384,720
Infrastructure	124,048,370	4,752,589	-	128,800,959
Total capital assets being depreciated	198,875,486	12,533,932	962,043	210,447,375
Total capital assets	206,288,727	13,644,201	4,840,347	215,092,581
Accumulated depreciation:				
Buildings	15,935,436	2,087,161	-	18,022,597
Improvements other than buildings	3,241,097	407,480	-	3,648,577
Machinery and equipment	18,761,762	2,243,950	949,622	20,056,090
Infrastructure	108,161,638	1,852,216	-	110,013,854
Total accumulated depreciation	146,099,933	6,590,807	949,622	151,741,118
Governmental activities capital assets, net	$ 60,188,794	$ 7,053,394	$ 3,890,725	$ 63,351,463

Governmental activities depreciation expense:

General government	$ 290,102
Judicial	217,224
Public safety	1,624,891
Public works	2,459,028
Sanitation	280,883
Health and welfare	117,892
Recreation	391,229
Libraries	8,228
Airport	199,792
Housing and development	9,762
Total governmental activities depreciation expense	$ 5,599,031

NOTE 6 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2016 for the County's enterprise funds was as follows:

	Balance 07/01/15	Additions	Deductions	Balance 06/30/16
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 329,177	-	$ 255,872	$ 73,305
Construction in progess	60,647	$ 7,500	60,647	7,500
Total capital assets not being depreciated	389,824	7,500	316,519	80,805
Capital assets being depreciated:				
Buildings	7,042,188	-	2,833,444	4,208,744
Improvements other than buildings	5,347,052	-	127,200	5,219,852
Machinery and equipment	625,562	32,987	23,446	635,103
Total capital assets being depreciated	13,014,802	32,987	2,984,090	10,063,699
Total capital assets	13,404,626	40,487	3,300,609	10,144,504
Accumulated depreciation:				
Buildings	2,308,147	208,539	914,222	1,602,464
Machinery and equipment	541,546	34,577	12,162	563,961
Improvements other than buildings	2,087,457	283,320	65,393	2,305,384
Total accumulated depreciation	4,937,150	526,436	991,777	4,471,809
Business-type activities capital assets, net	$ 8,467,476	$ (485,949)	$ 2,308,832	$ 5,672,695

NOTE 7 – CAPITAL LEASES

The County has entered into lease agreements as lessee for financing the acquisition and construction of various equipment and buildings costing $2,375,082. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Amortization of the cost of the equipment is included in depreciation expense in the government-wide financial statements and accumulated depreciation was $747,312 at June 30, 2016.

The following is a schedule of future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2016:

Year ending June 30	
2017	$ 546,521
2018	403,013
2019	302,259
Total minimum lease payments	1,251,793
Less amount representing interest	26,567
Present value of future minimum lease payments	$ 1,225,226

NOTE 8 – NOTES PAYABLE

Notes payable at June 30, 2016 consisted of the following:

	Governmental Activities	Business-type Activities
Note payable to Georgia Environmental Finance Authority for acquisition of property for Fletcher Memorial Recreation Park, payable in monthly installments of $1,278, including interest at 3% through March 1, 2018.	$ 26,083	
Note payable to Georgia Environmental Finance Authority for Recycle Station, payable in monthly installments of $3,620, including interest at 3.81% through August 1, 2032.	521,705	
Note payable to Synergistic for acquisition of software for Sheriff department, payable in 60 monthly installments of $3,636 including interest at 27.7% through April 2020	102,380	
Note payable to Sea Island Bank for expansion of Aquatic Center, payable in bi-annual installments payments of $224,931 including interest at 3.25% through June 1, 2020		$ 1,754,683
	$ 650,168	$ 1,754,683

As of June 30, 2016, annual debt service requirements to maturity are as follows:

Year ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	$ 56,091	$ 46,301	$ 102,392	$ 395,652	$ 54,211	$ 449,863
2018	59,062	36,798	95,860	408,704	41,159	449,863
2019	55,902	31,161	87,063	422,187	27,676	449,863
2020	59,025	20,766	79,791	528,140	13,943	542,083
2021	27,913	15,521	43,434	-	-	-
2022-2026	156,665	60,508	217,173	-	-	-
2027-2031	189,484	27,689	217,173	-	-	-
2032-2033	46,026	1,029	47,055	-	-	-
	$ 650,168	$ 239,773	$ 889,941	$ 1,754,683	$ 136,989	$ 1,891,672

NOTE 9 – BONDS PAYABLE

In July, 2012, the County issued $12,000,000 in General Obligation Sales Tax Bonds, Series 2012, primarily to fund economic development, including but not limited to land acquisition and site development and the construction of water and sewer infrastructure located within proximity to Exit 116 at the I-16 and US Route 301 interchange in Bulloch County. To the extent that there are additional bond proceeds remaining, such proceeds will be applied to fund (a) roads and bridges, (b) storm water and drainage, (c) public safety facilities and equipment, (d) recreation facilities and equipment and (e) solid waste facilities and equipment.

The bonds have interest rates ranging from two to five percent. The bonds require annual principal payments beginning September 1, 2015 through September 1, 2019, and interest is payable semiannually on March 1 and September 1 each year.

The principal and interest on the bonds are payable from SPLOST funds. As of June 30, 2016, annual debt service requirements for the bonds are as follows:

Year ending June 30	Principal	Interest	Total Debt Service
2017	$ 1,950,000	$ 323,700	$ 2,273,700
2018	2,005,000	254,350	2,259,350
2019	2,095,000	161,875	2,256,875
2020	2,190,000	54,750	2,244,750
Total	$ 8,240,000	$ 794,675	$ 9,034,675

NOTE 10 – CHANGES IN LONG-TERM DEBT

Governmental Activities	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Amounts Due In One Year
Bonds payable	$ 10,140,000	-	$ 1,900,000	$ 8,240,000	$ 1,950,000
Unamortized premium	862,678	-	263,011	599,667	-
Total bonds payable	11,002,678	-	2,163,011	8,839,667	1,950,000
Capital leases payable	2,045,705	-	820,479	1,225,226	530,043
Notes payable	700,753	-	50,585	650,168	56,091
Compensated absences payable	647,189	$ 139,917	120,370	666,736	133,347
Total Governmental Activities	$ 14,396,325	$ 139,917	$ 3,154,445	$ 11,381,797	$ 2,669,481
Business-Type Activities					
Compensated absences payable	$ 9,629	$ -	$ 2,302	$ 7,327	$ 1,465
Notes payable	2,137,133	-	382,450	1,754,683	395,652
Total Business-Type Activities	$ 2,146,762	$ -	$ 384,752	$ 1,762,010	$ 397,117

The compensated absences liability will be paid from the fund from which the employees' salaries are paid which is primarily the General Fund for governmental activities and the Aquatic Center for the business-type activities. The capital lease obligations will be paid from the SPLOST 13 capital projects fund. Notes payable will be paid from the SPLOST 13 capital projects funds for governmental activities and the Aquatic Center for the business-type activities. The bonds payable will be paid from the SPLOST 13 capital projects fund.

NOTE 11 – FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2016, governmental fund balances are composed of the following:

	General Fund	Sales Tax Bonds Construction	SPLOST 02	SPLOST 07	SPLOST 13	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid items	$ 974,719	$ 334	-	-	$ 18,507	$ 36,241	$ 1,029,801
Inventories	-	-	-	-	-	48,144	48,144
Total nonspendable	974,719	334	-	-	18,507	84,385	1,077,945
Restricted:							
Capital projects	-	2,535,621	$ 4,185,593	$ 128,646	5,541,591	-	12,391,451
Sheriff	-	-	-	-	-	43,033	43,033
Correctional facility	-	-	-	-	-	20,109	20,109
Airport	-	-	-	-	-	298,649	298,649
Public safety projects	-	-	-	-	-	112,166	112,166
Drug education	-	-	-	-	-	188,719	188,719
Jail	-	-	-	-	-	108,528	108,528
Urban fire district	-	-	-	-	-	100,752	100,752
E-911 services	-	-	-	-	-	594,144	594,144
Roads	-	-	-	-	-	1,086,234	1,086,234
Greenspace project	19,888	-	-	-	-	-	19,888
Juvenile services	-	-	-	-	-	15,833	15,833
Recreation	64,516	-	-	-	-	-	64,516
Streetlight tax districts	-	-	-	-	-	29,507	29,507
Total restricted	84,404	2,535,621	4,185,593	128,646	5,541,591	2,597,674	15,073,529
Unassigned	6,498,857	-	-	-	-	(116,443)	6,382,414
Total fund balances	$ 7,557,980	$ 2,535,955	$ 4,185,593	$ 128,646	$ 5,560,098	$ 2,565,616	$ 22,533,888

NOTE 12 – EMPLOYEE RETIREMENT PLANS

Defined Contribution Plan

Effective November 1, 1994, the County adopted the Bulloch County Retirement Plan. The plan is administered by Gebcorp, and covers all employees over the age of 21 who have completed one year of service. Employees cannot contribute to the plan. Contributions to the plan are at the discretion of the Board of Commissioners. The Board of Commissioners is assigned the authority to establish and amend any provisions of the plan. During the year ended June 30, 2016, the County contributed $959,465 or 6.5% of eligible salaries to the plan.

Judges of the Probate Courts Retirement Fund of Georgia

The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses be remitted to the state sponsored pension plan.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the state sponsored pension plan.

Sheriff's Retirement Fund/Peace Officers' Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Magistrate Court and Clerk of Superior Court to the state sponsored pension plans.

Magistrates Retirement Fund of Georgia

The Magistrate Judge is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the state sponsored pension plan.

Georgia Firefighters' Pension Fund

Full-time fire department employees who are certified or are candidates for certification by the Georgia Firefighter Standards and Training Council are eligible to be covered by this pension plan, which is funded primarily by a one percent tax on premiums for fire insurance and monthly dues collected from active members.

Georgia Judicial Retirement System

This system provides retirement benefits for Superior Court Judges, District Attorneys, State Court Judges, Solicitors-General of the State Courts, and Juvenile Court Judges.

Employee's Retirement System of Georgia

Bulloch County tax officials are covered under this retirement plan.

Bulloch County Board of Health (component unit)

The employees of the Bulloch County Board of Health participate in the Georgia State Employees Retirement System (ERS). The plan is administered by the State of Georgia. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov. The retirement contributions for the year ended June 30, 2016 were $164,746. Contributions are fully vested to employees after 10 years of continuous service.

At June 30, 2016, the Board of Health reported $1,084,964 as a liability for its proportionate share of the net pension liabilities. For the year ended June 30, 2016, the Board of Health recognized pension expense of $164,746.

NOTE 13 – EMPLOYEE INSURANCE FUND

As of May 1, 1993, the County established an employee insurance fund (an internal service fund) to cover all employee health claims. The County makes payments to this fund on a monthly basis based on estimated premiums provided by the third party administrator to fund this program. Amounts are also withheld from employees by payroll deduction for dependent coverage and paid to the employee insurance fund. A third party administrator pays all claims from funds held in the employee insurance fund's bank account. The County has a co-insuror for claims from one individual within one year exceeding $100,000 and has a maximum annual liability policy of $4,726,599.

The claims liability of $425,000 reported at June 30, 2016 represents known claims incurred on or prior to June 30, 2016 and an estimate for claims that have been incurred but not reported. Changes in the fund's claims liability for the last three fiscal years are as follows:

Year Ended June 30	Claims Liability, Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Claims Liability, End of Year
2014	$ 551,407	$ 3,495,324	$ 3,617,085	$ 429,646
2015	429,646	3,514,532	3,429,178	515,000
2016	515,000	3,522,015	3,612,015	425,000

NOTE 14 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other counties in the state as part of the Association of County Commissioners of Georgia (ACCG) Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia (ACCG) Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management insurance program 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 pool's 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 pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost 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.

Settled claims in the past three years have not exceeded the coverages.

NOTE 15 – CONTINGENCIES

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County attorney, the resolution of these matters probably will not have a material adverse effect on the financial condition of the County.

NOTE 16 – JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the ten county Southeast Georgia area, is a member of the Coastal Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2016, the County paid $51,463 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Coastal Georgia Regional Commission
1181 Coastal Drive SW
Darien, Georgia 31305

NOTE 17 – HOTEL/MOTEL LODGING TAX

The county has levied a five percent lodging tax. A summary of the transactions for the year ended June 30, 2016 follows:

		Percentage of tax receipts
Lodging tax receipts	$ 12,642	
Disbursements to the:		
Statesboro Convention and Visitors Bureau for promotion of tourism	(9,608)	76.0%
Statesboro Arts Council for performing arts center	(2,402)	19.0%
County for administrative costs	(632)	5.0%
Total	$ -	

All expenditures were for promotion of tourism as required by O.C.G.A. 48-13-41.

NOTE 18 – PRIOR PERIOD ADJUSTMENTS

The following prior period adjustments have been made to fund balances in the fund level financial statements to reflect the combining of the Parks and Recreation funds with the General Fund effective July 1, 2015.

	General Fund	Parks and Recreation Funds	Total
Fund balance, June 30, 2015, as previously reported	$ 5,175,304	$ 98,190	$ 5,273,494
Restatement for combining of funds	98,190	(98,190)	-
Fund balance, July 1, 2015, as restated	$ 5,273,494	$ -	$ 5,273,494

BULLOCH COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Statesboro/ Bulloch County Airport Fund	BCCI Inmate Fund	BCCI Designated Special Projects Fund	Drug Education Fund	Jail Inmate Phone Fund	E-911 Fund	Grants Fund	Greenspace Fund	Hotel/ Motel Tax Fund	Urban Fire District Fund
ASSETS										
Cash	$ 340,113	$ 20,109	$ 98,871	$ 194,912	$ 16,340	$ 329,092	$ 1,084,541	$ -	$ 2,142	$ 320,997
Receivables:										
Intergovernmental	-	-	-	-	-	115,095	8,925	-	-	-
Accounts	13,535	-	14,195	153	26,483	188,045	-	-	1,040	-
Taxes	-	-	-	-	-	-	-	-	-	-
Prepaid items	5,074	-	-	-	7,475	23,692	-	-	-	-
Inventories	48,144	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	$ 406,866	$ 20,109	$ 113,066	$ 195,065	$ 50,298	$ 655,924	$ 1,093,466	$ -	$ 3,182	$ 320,997
LIABILITIES										
Accounts payable	$ 52,272	-	$ 900	$ 6,346	-	$ 16,262	-	$ -	$ 3,182	$ 220,245
Accrued payroll	2,727	-	-	-	-	15,514	-	-	-	-
Unearned revenue	-	-	-	-	-	-	$ 6,411	-	-	-
Due to other funds	-	-	-	-	-	6,312	821	-	-	-
Total liabilities	54,999	-	900	6,346	-	38,088	7,232	-	3,182	220,245
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - Property taxes	-	-	-	-	-	-	-	-	-	-
FUND BALANCE										
Nonspendable	53,218	-	-	-	$ 7,475	23,692	-	-	-	-
Restricted	298,649	$ 20,109	112,166	188,719	42,823	594,144	1,086,234	-	-	100,752
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balance	351,867	20,109	112,166	188,719	50,298	617,836	1,086,234	-	-	100,752
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 406,866	$ 20,109	$ 113,066	$ 195,065	$ 50,298	$ 655,924	$ 1,093,466	$ -	$ 3,182	$ 320,997

BULLOCH COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Jail Add-On Fee Fund	Jail Commissary Fund	Juvenile Services Fund	Keep Bulloch Beautiful Fund	Rural Fire Fund	Sheriff's Confiscated Assets Fund	Sheriff's Fingerprint Fund	Streetlight Tax Districts Fund	Total Nonmajor Special Revenue Funds
ASSETS									
Cash	$ 7,545	$ 65,705	$ 16,073	$ -	$ (89,991)	$ 52,116	$ 17,985	$ 34,431	$ 2,510,981
Receivables:									
Intergovernmental	-	-	-	-	-	-	-	-	124,020
Accounts	-	-	-	-	-	-	-	-	243,451
Taxes	-	-	-	-	20,958	-	-	232	21,190
Prepaid items	-	-	-	-	-	-	-	-	36,241
Inventories	-	-	-	-	-	-	-	-	48,144
TOTAL ASSETS	$ 7,545	$ 65,705	$ 16,073	$ -	$ (69,033)	$ 52,116	$ 17,985	$ 34,663	$ 2,984,027
LIABILITIES									
Accounts payable	-	-	$ 240	$ -	$ 29,281	$ 27,068	-	$ 5,156	$ 360,952
Accrued payroll	-	-	-	-	1,414	-	-	-	19,655
Unearned revenue	-	-	-	-	-	-	-	-	6,411
Due to other funds	$ 7,545	-	-	-	-	-	-	-	14,678
Total liabilities	7,545	-	240	-	30,695	27,068	-	5,156	401,696
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - Property taxes	-	-	-	-	16,715	-	-	-	16,715
FUND BALANCE									
Nonspendable	-	-	-	-	-	-	-	-	84,385
Restricted	-	$ 65,705	15,833	-	-	25,048	$ 17,985	29,507	2,597,674
Unassigned	-	-	-	-	(116,443)	-	-	-	(116,443)
Total fund balance	-	65,705	15,833	-	(116,443)	25,048	17,985	29,507	2,565,616
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 7,545	$ 65,705	$ 16,073	$ -	$ (69,033)	$ 52,116	$ 17,985	$ 34,663	$ 2,984,027

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Statesboro/ Bulloch County Airport Fund	BCCI Inmate Fund	BCCI Designated Special Projects Fund	Drug Education Fund	Jail Inmate Phone Fund	E-911 Fund	Grants Fund	Greenspace Fund	Hotel/ Motel Tax Fund	Urban Fire District Fund
REVENUES										
Taxes	-	-	-	-	-	-	-	-	$ 12,642	$ 898,345
Charges for services	$ 458,259	$ 3,094	-	-	$ 170,639	$ 1,419,233	-	-	-	-
Fees, fines and forfeitures	-	-	-	$ 138,857	-	-	-	-	-	-
Intergovernmental	2,412	-	-	-	-	-	$ 1,079,347	-	-	-
Interest	-	4	-	-	-	-	-	-	-	-
Other	108,834	59,731	$ 90,704	-	-		2,878	-	-	-
Total revenues	569,505	62,829	90,704	138,857	170,639	1,419,233	1,082,225	-	12,642	898,345
EXPENDITURES										
Current:										
Airport	559,169	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	2,878	-	-	-
Public safety	-	51,011	37,983	63,623	69,363	1,277,861	-	-	-	898,345
Public works	-	-	-	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-	-	12,642	-
Capital outlay:										
Public safety	-	-	17,306	80,355	102,818	-	11,846	-	-	42,914
Public works	-	-	-	-	-	-	1,029,561	-	-	-
Debt service:										
Principal	-	-	-	-	13,209	-	-	-	-	-
Interest	-	-	-	-	30,419	-	-	-	-	-
Total expenditures	559,169	51,011	55,289	143,978	215,809	1,277,861	1,044,285	-	12,642	941,259
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,336	11,818	35,415	(5,121)	(45,170)	141,372	37,940	-	-	(42,914)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(2,000)	-	(5,500)	(2,000)	-	(30,000)	-	$ (19,888)	-	-
Total other financing sources (uses)	(2,000)	-	(5,500)	(2,000)	-	(30,000)	-	(19,888)	-	-
NET CHANGE IN FUND BALANCES	8,336	11,818	29,915	(7,121)	(45,170)	111,372	37,940	(19,888)	-	(42,914)
FUND BALANCES, BEGINNING OF YEAR	343,531	8,291	82,251	195,840	95,468	506,464	1,048,294	19,888	-	143,666
FUND BALANCES, END OF YEAR	$ 351,867	$ 20,109	$ 112,166	$ 188,719	$ 50,298	$ 617,836	$ 1,086,234	$ -	$ -	$ 100,752

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Jail Add-On Fee Fund	Jail Commissary Fund	Juvenile Services Fund	Keep Bulloch Beautiful Fund	Rural Fire Fund	Sheriff's Confiscated Assets Fund	Sheriff's Fingerprint Fund	Streetlight Tax Districts Fund	Total Nonmajor Special Revenue Funds
REVENUES									
Taxes	-	-	-	-	$ 595,096	-	-	$ 69,736	$ 1,575,819
Charges for services	-	$ 127,849	-	-	200	-	$ 3,704	-	2,182,978
Fees, fines and forfeitures	$ 111,700	-	$ 1,500	-	-	$ 29,586	-	-	281,643
Intergovernmental	-	-	-	-	-	-	-	-	1,081,759
Interest	-	-	-	-	-	30	-	-	34
Other	-	-	-	-	-	-	-	-	262,147
Total revenues	111,700	127,849	1,500	-	595,296	29,616	3,704	69,736	5,384,380
EXPENDITURES									
Current:									
Airport	-	-	-	-	-	-	-	-	559,169
Judicial	-	-	1,070	-	-	-	-	-	3,948
Public safety	111,700	66,603	-	-	446,282	34,330	1,983	-	3,059,084
Public works	-	-	-	-	-	-	-	73,538	73,538
Housing and development	-	-	-	-	-	-	-	-	12,642
Capital outlay:									
Public safety	-	15,446	-	-	-	48,824	-	-	319,509
Public works	-	-	-	-	-	-	-	-	1,029,561
Debt service:									
Principal	-	-	-	-	-	-	-	-	13,209
Interest	-	-	-	-	-	-	-	-	30,419
Total expenditures	111,700	82,049	1,070	-	446,282	83,154	1,983	73,538	5,101,079
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	45,800	430	-	149,014	(53,538)	1,721	(3,802)	283,301
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(200)	$ (23,627)	(8,640)	-	-	-	(91,855)
Total other financing sources (uses)	-	-	(200)	(23,627)	(8,640)	-	-	-	(91,855)
NET CHANGE IN FUND BALANCES	-	45,800	230	(23,627)	140,374	(53,538)	1,721	(3,802)	191,446
FUND BALANCES, BEGINNING OF YEAR	-	19,905	15,603	23,627	(256,817)	78,586	16,264	33,309	2,374,170
FUND BALANCES, END OF YEAR	$ -	$ 65,705	$ 15,833	$ -	$ (116,443)	$ 25,048	$ 17,985	$ 29,507	$ 2,565,616

BULLOCH COUNTY, GEORGIA
STATESBORO/BULLOCH COUNTY AIRPORT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Varianee Positive (Negative)
REVENUES				
Charges for services	$ 556,680	$ 458,259	$ 458,259	$ -
Intergovernmental	2,412	2,412	2,412	-
Other	97,190	108,834	108,834	-
Total revenues	656,282	569,505	569,505	-
EXPENDITURES				
Current:				
Airport	690,282	559,169	559,169	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(34,000)	10,336	10,336	-
OTHER FINANCING USES				
Transfers out	(2,000)	(2,000)	(2,000)	-
NET CHANGE IN FUND BALANCES	(36,000)	8,336	8,336	-
FUND BALANCES, BEGINNING OF YEAR	343,531	343,531	343,531	-
FUND BALANCES, END OF YEAR	$ 307,531	$ 351,867	$ 351,867	$ -

BULLOCH COUNTY, GEORGIA
BCCI INMATE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	-	$ 3,094	$ 3,094
Vending commissions/other	$ 28,000	59,731	31,731
Interest	-	4	4
	28,000	62,829	34,829
EXPENDITURES			
Current:			
Public safety	28,000	51,011	(23,011)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	11,818	11,818
FUND BALANCES, BEGINNING OF YEAR	8,291	8,291	-
FUND BALANCES, END OF YEAR	$ 8,291	$ 20,109	$ 11,818

BULLOCH COUNTY, GEORGIA

BCCI DESIGNATED SPECIAL PROJECTS SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Telephone commissions	$ 30,000	$ 90,705	$ 90,704	$ (1)
EXPENDITURES				
Current:				
Public safety	8,350	37,983	37,983	-
Capital outlay:				
Public safety	5,000	17,306	17,306	-
Total expenditures	13,350	55,289	55,289	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	16,650	35,416	35,415	(1)
OTHER FINANCING USES				
Transfers out	(5,500)	(5,500)	(5,500)	-
NET CHANGE IN FUND BALANCES	11,150	29,916	29,915	(1)
FUND BALANCES, BEGINNING OF YEAR	82,251	82,251	82,251	-
FUND BALANCES, END OF YEAR	$ 93,401	$ 112,167	$ 112,166	$ (1)

BULLOCH COUNTY, GEORGIA
DRUG EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fees, fines and forfeitures	$ 118,200	$ 138,858	$ 138,857	$ (1)
EXPENDITURES				
Current:				
Public safety	75,000	63,623	63,623	-
Capital outlay:				
Public safety	-	80,355	80,355	-
Total expenditures	75,000	143,978	143,978	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	43,200	(5,120)	(5,121)	(1)
OTHER FINANCING USES				
Transfers out	(2,000)	(2,000)	(2,000)	-
NET CHANGE IN FUND BALANCES	41,200	(7,120)	(7,121)	(1)
FUND BALANCES, BEGINNING OF YEAR	195,840	195,840	195,840	-
FUND BALANCES, END OF YEAR	$ 237,040	$ 188,720	$ 188,719	$ (1)

BULLOCH COUNTY, GEORGIA
JAIL INMATE PHONE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Telephone commissions	$ 100,000	$ 170,639	$ 70,639
EXPENDITURES			
Current:			
Public safety	100,000	69,363	30,637
Capital outlay:			
Public safety	-	102,818	(102,818)
Debt service:			
Principal	-	13,209	(13,209)
Interest	-	30,419	(30,419)
Total expenditures	100,000	215,809	(115,809)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(45,170)	(45,170)
FUND BALANCES, BEGINNING OF YEAR	95,468	95,468	-
FUND BALANCES, END OF YEAR	$ 95,468	$ 50,298	$ (45,170)

BULLOCH COUNTY, GEORGIA
E-911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 1,541,920	$ 1,419,233	$ 1,419,233	-
EXPENDITURES				
Current:				
Public safety	1,255,794	1,286,509	1,277,861	$ 8,648
Capital outlay:				
Public safety	-	-	-	-
Total expenditures	1,255,794	1,286,509	1,277,861	8,648
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	286,126	132,724	141,372	8,648
OTHER FINANCING USES				
Transfers out	(30,000)	(30,000)	(30,000)	-
NET CHANGE IN FUND BALANCES	256,126	102,724	111,372	8,648
FUND BALANCES, BEGINNING OF YEAR	506,464	506,464	506,464	-
FUND BALANCES, END OF YEAR	$ 762,590	$ 609,188	$ 617,836	$ 8,648

BULLOCH COUNTY, GEORGIA
GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	$ 1,005,000	$ 1,079,347	$ 74,347
Other	-	2,878	2,878
Total revenues	1,005,000	1,082,225	77,225
EXPENDITURES			
Current:			
Judicial	-	2,878	(2,878)
Capital:			
Public safety	-	11,846	(11,846)
Public works	1,048,295	1,029,561	18,734
Total expenditures	1,048,295	1,044,285	4,010
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(43,295)	37,940	81,235
FUND BALANCES, BEGINNING OF YEAR	1,048,294	1,048,294	-
FUND BALANCES, END OF YEAR	$ 1,004,999	$ 1,086,234	$ 81,235

BULLOCH COUNTY, GEORGIA
GREENSPACE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Interest	-	-	-
EXPENDITURES			
Current:			
Recreation	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING USES			
Transfers out	-	$ (19,888)	$ (19,888)
NET CHANGE IN FUND BALANCES	-	(19,888)	(19,888)
FUND BALANCES, BEGINNING OF YEAR	$ 19,888	19,888	-
FUND BALANCES, END OF YEAR	$ 19,888	$ -	$ (19,888)

BULLOCH COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 11,400	$ 12,642	$ 12,642	$ -
EXPENDITURES				
Current:				
Housing and development - Tourism	11,400	12,642	12,642	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ -	$ -

BULLOCH COUNTY, GEORGIA
URBAN FIRE DISTRICT FUND SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 850,000	$ 898,345	$ 898,345	-
EXPENDITURES				
Current:				
Public safety	850,000	885,912	898,345	$ (12,433)
Capital outlay:				
Public safety	-	42,914	42,914	-
Total expenditures	850,000	928,826	941,259	(12,433)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(30,481)	(42,914)	(12,433)
FUND BALANCES, BEGINNING OF YEAR	143,666	143,666	143,666	-
FUND BALANCES, END OF YEAR	$ 143,666	$ 113,185	$ 100,752	$ (12,433)

BULLOCH COUNTY, GEORGIA
JAIL ADD-ON FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fees, fines and forfeitures	$ 110,112	$ 111,700	$ 111,700	$ -
EXPENDITURES				
Current:				
Public safety - Jail	110,112	111,700	111,700	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ -	$ -

BULLOCH COUNTY, GEORGIA
JAIL COMMISSARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	$ 80,000	$ 127,849	$ 47,849
EXPENDITURES			
Current:			
Public safety	80,000	66,603	13,397
Capital outlay:			
Public safety	-	15,446	(15,446)
Total expenditures	80,000	82,049	(2,049)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	45,800	45,800
FUND BALANCES, BEGINNING OF YEAR	19,905	19,905	-
FUND BALANCES, END OF YEAR	$ 19,905	$ 65,705	$ 45,800

BULLOCH COUNTY, GEORGIA
JUVENILE SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fees, fines and forfeitures	$ 1,020	$ 1,500	$ 1,500	$ -
EXPENDITURES				
Current:				
Judicial	1,850	1,070	1,070	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(830)	430	430	-
OTHER FINANCING USES				
Transfers out	(200)	(200)	(200)	-
NET CHANGE IN FUND BALANCES	(1,030)	230	230	-
FUND BALANCES, BEGINNING OF YEAR	15,603	15,603	15,603	-
FUND BALANCES, END OF YEAR	$ 14,773	$ 15,833	$ 15,833	$ -

BULLOCH COUNTY, GEORGIA
KEEP BULLOCH BEAUTIFUL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	-	-	-
Other	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Current:			
Sanitation	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
OTHER FINANCING USES			
Transfers out	-	$ (23,627)	$ (23,627)
NET CHANGE IN FUND BALANCES	-	(23,627)	(23,627)
FUND BALANCES, BEGINNING OF YEAR	$ 23,627	23,627	-
FUND BALANCES, END OF YEAR	$ 23,627	$ -	$ (23,627)

BULLOCH COUNTY, GEORGIA
RURAL FIRE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 568,020	$ 597,894	$ 595,096	$ (2,798)
Charges for services	-	200	200	-
Total revenues	568,020	598,094	595,296	(2,798)
EXPENDITURES				
Current:				
Public safety	522,200	438,687	446,282	(7,595)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	45,820	159,407	149,014	(10,393)
OTHER FINANCING USES				
Transfers out	(45,820)	(8,640)	(8,640)	-
NET CHANGE IN FUND BALANCES	-	150,767	140,374	(10,393)
FUND BALANCES, BEGINNING OF YEAR	(256,817)	(256,817)	(256,817)	-
FUND BALANCES, END OF YEAR	$ (256,817)	$ (106,050)	$ (116,443)	$ (10,393)

BULLOCH COUNTY, GEORGIA
SHERIFF'S CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	$ 15,000	$ 29,586	$ 14,586
Interest	-	30	30
Total revenues	15,000	29,616	14,616
EXPENDITURES			
Current:			
Public safety	15,000	34,330	(19,330)
Capital outlay:			
Public safety	-	48,824	(48,824)
Total expenditures	15,000	83,154	(68,154)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(53,538)	(53,538)
FUND BALANCES, BEGINNING OF YEAR	78,586	78,586	-
FUND BALANCES, END OF YEAR	$ 78,586	$ 25,048	$ (53,538)

BULLOCH COUNTY, GEORGIA
SHERIFF'S FINGERPRINT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Origianl and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	$ 5,000	$ 3,704	$ (1,296)
EXPENDITURES			
Current:			
Public safety	5,000	1,983	3,017
EXCESS OF REVENUES OVER EXPENDITURES	-	1,721	1,721
FUND BALANCES, BEGINNING OF YEAR	16,264	16,264	-
FUND BALANCES, END OF YEAR	$ 16,264	$ 17,985	$ 1,721

BULLOCH COUNTY, GEORGIA
STREETLIGHT TAX DISTRICTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 68,540	$ 69,736	$ 69,736	$ -
EXPENDITURES				
Current:				
Public works - Street lighting	65,640	73,538	73,538	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,900	(3,802)	(3,802)	-
FUND BALANCES, BEGINNING OF YEAR	33,309	33,309	33,309	-
FUND BALANCES, END OF YEAR	$ 36,209	$ 29,507	$ 29,507	$ -

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2016

	Employee Health Insurance Fund	Correctional Food Service Fund	Total
ASSETS			
Cash	$ 2,022,556	$ 37,413	$ 2,059,969
Accounts receivable	359,625	-	359,625
Prepaid expense	10,334	-	10,334
Total Assets	2,392,515	37,413	2,429,928
LIABILITIES			
Accounts payable	15,228	34,306	49,534
Claims payable	425,000		425,000
Accrued payroll	-	3,107	3,107
Due to other funds	127,350	-	127,350
Total Liabilities	567,578	37,413	604,991
NET POSITION			
Unrestricted	$ 1,824,937	$ -	$ 1,824,937

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR YEAR ENDED JUNE 30, 2016

	Employee Health Insurance Fund	Correctional Food Service Fund	Total
OPERATING REVENUES			
Charges for services	-	$ 951,523	$ 951,523
Premiums	$ 4,515,756	-	4,515,756
Total Operating Revenues	4,515,756	951,523	5,467,279
OPERATING EXPENSES			
Salaries and benefits	-	116,448	116,448
Materials and supplies	-	841,186	841,186
Purchased/contracted services	531,044	10,049	541,093
Claims	3,522,015	-	3,522,015
Total Operating Expenses	4,053,059	967,683	5,020,742
OPERATING INCOME (LOSS)	462,697	(16,160)	446,537
TRANSFERS IN (OUT)	(127,350)	16,160	(111,190)
CHANGE IN NET POSITION	335,347	-	335,347
NET POSITION, BEGINNING OF YEAR	1,489,590	-	1,489,590
NET POSITION, END OF YEAR	$ 1,824,937	$ -	$ 1,824,937

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Employee Health Insurance Fund	Correctional Food Service Fund	Total
Cash Flows from Operating Activities			
Cash received from internal charges	$ 4,798,416	$ 951,523	$ 5,749,939
Cash payments to employees for salaries and benefits	-	(115,650)	(115,650)
Cash payments for supplies and services	(404,302)	(846,251)	(1,250,553)
Cash payments for claims	(3,940,866)	-	(3,940,866)
Net Cash Provided (Used) by Operating Activities	453,248	(10,378)	442,870
Cash Flows from Noncapital Financing Activities			
Transfers in (out)	(127,350)	16,160	(111,190)
Net Increase in Cash and Cash Equivalents	325,898	5,782	331,680
Cash and Cash Equivalents, July 1, 2015	1,696,658	31,631	1,728,289
Cash and Cash Equivalents, June 30, 2016	$ 2,022,556	$ 37,413	$ 2,059,969
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities			
Operating Income (Loss)	$ 462,697	$ (16,160)	$ 446,537
Adjustments:			
(Increase) decrease in operating assets:			
Accounts receivable	(328,851)	-	(328,851)
Due from other funds	282,660	-	282,660
Prepaid expense	(10,334)	-	(10,334)
Increase (decrease) in operating liabilities:			
Accounts payable	9,726	4,984	14,710
Due to other funds	127,350	-	127,350
Claims payable	(90,000)	-	(90,000)
Accrued payroll	-	798	798
Net Cash Provided (Used) By Operating Activities	$ 453,248	$ (10,378)	$ 442,870

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2016

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Emergency Medical Service	Bulloch County Correctional Institute	Probation	Total
ASSETS									
Cash	$ 91,397	$ 15,661	$ 196,851	$ 46,904	$ 322,146	$ -	$ 21,015	$ 87,095	$ 781,069
LIABILITIES									
Due to other entities and individuals	$ 91,397	$ 15,661	$ 196,851	$ 46,904	$ 322,146	$ -	$ 21,015	$ 87,095	$ 781,069

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Tax Commissioner				
Assets				
Cash	$ 7,262	$ 53,616,801	$ 53,532,666	$ 91,397
Liabilities				
Due to other entities and individuals	$ 7,262	$ 53,616,801	$ 53,532,666	$ 91,397
Probate Court				
Assets				
Cash	$ 8,451	$ 234,117	$ 226,907	$ 15,661
Liabilities				
Due to other entities and individuals	$ 8,451	$ 234,117	$ 226,907	$ 15,661
Clerk of Courts				
Assets				
Cash	$ 239,430	$ 3,246,686	$ 3,289,265	$ 196,851
Liabilities				
Due to other entities and individuals	$ 239,430	$ 3,246,686	$ 3,289,265	$ 196,851
Magistrate Court				
Assets				
Cash	$ 10,243	$ 1,056,835	$ 1,020,174	$ 46,904
Liabilities				
Due to other entities and individuals	$ 10,243	$ 1,056,835	$ 1,020,174	$ 46,904
Sheriff				
Assets				
Cash	$ 402,435	$ 1,687,168	$ 1,767,457	$ 322,146
Liabilities				
Due to other entities and individuals	$ 402,435	$ 1,687,168	$ 1,767,457	$ 322,146
Emergency Medical Service				
Assets				
Cash	$ -	$ 1,809,763	$ 1,809,763	$ -
Liabilities				
Due to other entities and individuals	$ -	$ 1,809,763	$ 1,809,763	$ -
Bulloch County Correctional Institute				
Assets				
Cash	$ 8,544	$ 160,280	$ 147,809	$ 21,015
Liabilities				
Due to other entities and individuals	$ 8,544	$ 160,280	$ 147,809	$ 21,015
Probation				
Assets				
Cash	$ 84,720	$ 1,085,662	$ 1,083,287	$ 87,095
Liabilities				
Due to other entities and individuals	$ 84,720	$ 1,085,662	$ 1,083,287	$ 87,095
Total Agency Funds				
Assets				
Cash	$ 761,085	$ 62,897,312	$ 62,877,328	$ 781,069
Liabilities				
Due to other entities and individuals	$ 761,085	$ 62,897,312	$ 62,877,328	$ 781,069

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2016

SPLOST 02 Fund

Project	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
Road improvements - County	$ 5,000,000	$ 7,193,569	$ 7,193,569	-	$ 7,193,569	100%
Solid waste - Air rights - Joint	1,510,000	2,300,823	2,300,823	-	2,300,823	100%
Solid waste - Post closure - Joint	610,000	200,000	200,000	-	200,000	100%
Communications system - Joint	1,500,000	1,538,703	1,538,703	-	1,538,703	100%
Solid waste - recycling - County	640,000	607,353	578,477	-	578,477	95%
Public safety - Sheriff	1,000,000	1,089,060	1,089,060	-	1,089,060	100%
Public safety - Rural Fire	900,000	1,171,550	1,022,833	-	1,022,833	87%
Public safety - EMS	600,000	822,773	822,773	-	822,773	100%
Public safety - Animal control	-	9,338	9,338	-	9,338	100%
Airport - County	750,000	711,445	628,658	-	628,658	88%
Agribusiness Center - County	6,100,000	4,437,186	523,006	$ 208,563	731,569	16%
Parks and recreation - County	7,000,000	7,100,215	6,891,138	-	6,891,138	97%
Industrial park - County	5,500,000	5,301,277	5,301,278	-	5,301,278	100%
Water/sewer system - County	100,000	29,780	29,780	-	29,780	100%
Community facilities - County	3,143,000	3,955,930	2,937,488	-	2,937,488	74%
BCCI vehicle - County	-	13,958	13,958	-	13,958	100%
Arts center - Statesboro	1,360,000	1,446,932	1,446,932	-	1,446,932	100%
Municipal building/Police Station - Statesboro	2,140,000	3,362,525	3,362,525	-	3,362,525	100%
Public safety vehicles - Statesboro	500,000	437,184	263,674	-	263,674	60%
Water/sewer system - Statesboro	5,000,000	4,372,334	2,574,708	-	2,574,708	59%
City streets, etc. - Statesboro	5,000,000	4,372,334	4,356,069	-	4,356,069	100%
Municipal building - Brooklet	350,000	352,035	352,035	-	352,035	100%
Cultural facility - Brooklet	75,000	-	-	-	-	-
Water system - Brooklet	230,000	140,109	139,567	-	139,567	100%
City streets, etc. - Brooklet	205,000	260,070	260,070	-	260,070	100%
Solid waste - Portal	50,000	17,951	17,951	-	17,951	100%
Cultural facility - Portal	50,000	17,635	17,635	-	17,635	100%
Water system - Portal	200,000	149,262	149,262	-	149,262	100%
Sewer system - Portal	-	46,531	46,531	-	46,531	100%
City streets, etc. - Portal	160,000	116,667	116,667	-	116,667	100%
Centennial Park - Portal	-	54,201	54,201	-	54,201	100%
Water system - Register	27,000	9,468	3,450	-	3,450	36%
Public safety facility - Register	15,000	23,330	23,330	-	23,330	100%
Recreational areas - Register	15,000	19,539	19,539	-	19,539	100%
Cultural facility - Register	45,000	37,926	37,926	-	37,926	100%
City streets, etc. - Register	25,000	20,808	20,808	-	20,808	100%
	$ 49,800,000	$ 51,739,801	$ 44,343,762	$ 208,563	$ 44,552,325	86%

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2016

SPLOST 07 Fund

Project	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
Jail expansion	$ 10,500,000	$ 10,872,066	$ 10,872,066	-	$ 10,872,066	100%
Solid waste handling facilites and equipment - Joint	7,000,000	6,674,268	6,674,268	-	6,674,268	100%
Economic development - Industrial park	2,875,500	2,543,516	2,543,516	-	2,543,516	100%
Cemetery expansion - Statesboro	900,000	900,000	900,000	-	900,000	100%
Road improvements	12,500,000	9,500,250	9,481,739	-	9,481,739	99.8%
Community facilities - County	5,138,500	4,735,031	4,733,834	$ 1,197	4,735,031	100%
Public safety facilities and equipment	3,655,000	3,923,292	3,904,785	18,507	3,923,292	100%
Recreational facilities and equipment	2,874,700	1,874,506	1,874,506	-	1,874,506	100%
Solid waste handling facilites and equipment - County	1,200,000	1,458,490	1,458,490	-	1,458,490	100%
Airport facilities and equipment	700,000	506,923	426,731	-	426,731	84.2%
Storm water projects	222,000	60,057	60,057	-	60,057	100%
Voting equipment	75,000	35,999	35,999	-	35,999	100%
Greenspace preservation	222,000	-	-	-	-	100%
City of Statesboro	20,767,500	16,594,574	16,594,574	-	16,594,574	100%
Town of Brooklet	1,070,000	867,091	867,091	-	867,091	100%
City of Portal	1,139,300	1,020,800	1,020,800	-	1,020,800	100%
Town of Register	160,500	128,400	128,400	-	128,400	100%
	$ 71,000,000	$ 61,695,263	$ 61,576,856	$ 19,704	$ 61,596,560	99.8%

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2016

SPLOST 13 Fund

Project	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
Road improvements - County	$ 14,792,000	$ 14,792,000	$ 542,445	$ 1,846,030	$ 2,388,475	16%
Solid waste - Air rights - Joint	10,775,000	10,775,000	2,993,055	1,795,833	4,788,888	44%
Elections equipment	150,000	150,000	-	18,227	18,227	12%
Solid waste facilities and equipment	3,100,000	3,100,000	-	352,028	352,028	11%
Public safety facilities and equipment	5,900,000	5,900,000	-	888,061	888,061	15%
Capital improvments to existing facilities	1,995,155	1,995,155	470,116	356,197	826,313	41%
Airport facilities and equipment	780,000	780,000	13,693	4,665	18,358	2%
Greenspace preservation	150,000	150,000	-	-	-	0%
Recreational facilities and equipment	4,600,000	4,600,000	8,202	214,173	222,375	5%
Economic development - Industrial park	9,000,000	9,000,000	1,925,378	5,077	1,930,455	21%
City of Statesboro	28,915,844	28,915,844	5,120,384	3,389,319	8,509,703	29%
Town of Brooklet	1,419,468	1,419,468	1,135,574	-	1,135,574	80%
City of Portal	458,083	520,066	520,066	-	520,066	100%
Town of Register	177,166	177,166	147,301	-	147,301	83%
	$ 82,212,716	$ 82,274,699	$ 12,876,214	$ 8,869,610	$ 21,745,824	26%

Reconciliation of current year expenditures to Statement of Revenues, Expenditures and Changes in Fund Balances:

Total SPLOST 13 fund expenditures per Statement of Revenues, Expenditures and Changes in Fund Balances	$ 11,206,180
Less:	
Intergovernmental revenue	(2,336,570)
Total current year expenditures per above	$ 8,869,610

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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*

To the Board of Commissioners
Bulloch County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bulloch County, Georgia, as of and for the year ended June 30, 2016, which collectively comprise Bulloch County's basic financial statements and have issued our report thereon dated, December 9, 2016. Our report includes a reference to other auditors who audited the financial statements of the Bulloch County Board of Health and the Development Authority of Bulloch County, as described in our report on Bulloch County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2016-1 and 2016-2 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bulloch 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 or other matters that are required to be reported under *Government Auditing Standards.*

Bulloch County, Georgia's Response to Findings

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

Purpose of this Report

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

Lanier, Westerfield, Cook + Proctor

Statesboro, Georgia
December 9, 2016

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

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation:			
Pass-through program from Georgia Department of Transportation:			
Airport Improvement Program	20.106	AP015-9026-32(031)	$ 340,257
Airport Improvement Program	20.106	AP016-9029-33(031)	67,905
Total Department of Transportation			408,162
U.S. Department of Commerce Economic Development Administration:			
Direct program:			
Investments for Public Works and Economic Development Facilities - Public Works Program/Core Infrastructure Improvements	11.300		1,279,210
U.S. Department of Homeland Security:			
Pass-through program from Georgia Emergency Management Agency:			
Emergency Management Performance Grant	97.042	OEM15-016	21,565
Federal Emergency Management Agency:			
Pass-through program from Georgia Emergency Management Agency:			
Hazard Mitigation Grant Program	97.039	HMGP-4165-0029	7,875
Total expenditures of federal awards			$ 1,716,812

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. Bulloch County, Georgia has not elected to use the ten percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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

To the Board of Commissioners
Bulloch County, Georgia

Report on Compliance for Each Major Federal Program

We have audited Bulloch County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Bulloch County, Georgia's major federal programs for the year ended June 30, 2016. Bulloch County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Bulloch County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Bulloch County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Bulloch County, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, Bulloch County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

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

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

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

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

Lanier, Westerfield, Cook & Proctor

Statesboro, Georgia
December 9, 2016

BULLOCH COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Bulloch County, Georgia.

2. Two significant deficiencies were disclosed during the audit of the financial statements in the 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*. No material weaknesses are reported.

3. No instances of noncompliance material to the financial statements of Bulloch County, Georgia were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs were reported in the Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.

5. The auditor's report on compliance for the major federal award programs for Bulloch County, Georgia expresses an unmodified opinion on all major federal programs.

6. No audit findings relative to the major federal award programs for Bulloch County, Georgia are reported in this schedule.

7. The program tested as a major program was: Investments for Public Works and Economic Development Facilities, CFDA number 11.300.

8. The threshold used for distinguishing between Type A and B programs was $750,000.

9. Bulloch County, Georgia was determined not to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

2016-1 Payroll Tax Reporting

Condition: County personnel are not reconciling salaries and wages per the general ledger to the quarterly payroll tax reports.

Criteria: Salaries and wages reported on quarterly payroll tax reports should be reconciled to the amounts reported on the County's general ledger to ensure the accuracy of payroll tax reports as well as payroll expenditures.

Cause: There are inadequate procedures in place to ensure accuracy in payroll tax reporting.

Effect: A special payroll that was processed in November, 2015 was not properly reported as taxable wages on the quarterly payroll tax reports.

Recommendation: Procedures should be implemented requiring the reconciliation of salaries and wages per the general ledger to the quarterly payroll tax reports before filing them with appropriate agencies.

Views of Responsible Officials and Planned Corrective Action: The County agrees with the finding and the recommended procedures will be implemented.

2016-2 Bank Reconciliations for Probate Court and Magistrate Court

Condition: Monthly bank reconciliations are not being prepared properly for the Probate Court and Magistrate Court.

Criteria: Bank reconciliations should be prepared on a monthly basis to determine that all cash transactions have been recorded properly and to discover bank errors. The reconciliation should include reconciling items such as deposits in transit and outstanding checks, and it should agree to the balance recorded in the checkbook register at the end of each month.

Cause: There are no procedures in place requiring the preparation of standard bank reconciliations on a monthly basis.

Effect: Proper bank reconciliations were not provided to the auditors as of June 30, 2016 causing additional time to be incurred during the testing of cash balances at June 30, 2016.

Recommendation: Procedures should be implemented requiring the preparation of accurate bank reconciliations on a monthly basis.

View of Responsible Officials and Planned Corrective Action: The County agrees with the finding and the Probate Court and Magistrate Court will implement procedures to prepare accurate bank reconciliations on a monthly basis.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported.