BULLOCH COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditor's Report	4
Management's Discussion and Analysis (Unaudited)	6
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	20
Statement of Activities	21
Fund Financial Statements:	
Balance Sheet - Governmental Funds	22
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	24
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	26
Statement of Net Position - Proprietary Funds	28
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	29
Statement of Cash Flows - Proprietary Funds	30
Statement of Fiduciary Assets and Liabilities - Agency Funds	31
Notes to the Financial Statements	32
Supplementary Information:	
Non-Major Funds:	
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	56
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Statesboro/Bulloch County Airport	58
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - BCCI Inmate Fund	59
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - BCCI Designated Special Projects Fund	60

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Drug Education Fund 61
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Jail Inmate Phone Fund 62
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - E-911 Fund 63
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Grants Fund 64
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Hotel/Motel Tax Fund 65
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Urban Fire District Fund 66
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Jail Add-On Fee Fund 67
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Jail Commissary Fund 68
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Juvenile Services Fund 69
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Rural Fire Fund 70
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sheriff's Confiscated Assets Fund 71
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sheriff's Fingerprint Fund 72
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -Streetlight Tax Districts Fund 73

Internal Service Funds:
Combining Statement of Net Position 74
Combining Statement of Revenues, Expenses and Changes in Net Position 75
Combining Statement of Cash Flows 76

Fiduciary Funds - Agency Funds:
Combining Statement of Fiduciary Assets and Liabilities 77
Combining Statement of Changes in Assets and Liabilities 78

Schedule of Projects Paid with Special Purpose Local Option Sales Tax Proceeds 79

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* 82

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards	84
Notes to Schedule of Expenditures of Federal Awards	85
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	86
Schedule of Findings and Questioned Costs	88

LANIER, DEAL & PROCTOR

CERTIFIED PUBLIC ACCOUNTANTS
201 SOUTH ZETTEROWER AVENUE
P.O. BOX 505
STATESBORO, GEORGIA 30459
PHONE (912) 489-8756
FAX (912) 489-1243

WILLIAM RUSSELL LANIER, CPA
RICHARD N. DEAL, CPA, CGMA
KAY S. PROCTOR, CPA, CFE, CGMA
WILLIAM BLAKE BLOSER, CPA
TIFFANY D. JENKINS, CPA, CGMA
RICHARD N. DEAL II, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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, 2017, 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 1.7%, .9%, and 2.9%, 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 14.7%, 18.9%, and 2.8%, 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 1.7%, .9%, and 2.9%, 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 14.7%, 18.7%, and 2.8%, 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, 2017, 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 6 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 February 6, 2018, 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, Deal & Proctor

Statesboro, Georgia
February 6, 2018

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, 2017. 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 $84,568,435 at 2017 fiscal year-end. That is $4,125,694 (or 5.13%) more than the total net position of $80,442,741 at 2016 fiscal year-end.

- Total net position is comprised of the following:

  (1) Net investment in capital assets of $60,758,304 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 2016 was $59,090,310. That is an increase of $1,667,994 (or 2.82%) for fiscal year 2017.

  (2) Net position of $12,703,861 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations. That is $263,849 (or 2.12%) more than the fiscal year 2016 amount of $12,440,012.

  (3) Unrestricted net position of $11,106,270 represents the portion available to maintain the County's continuing obligations to citizens and creditors. This is a $2,193,851 (or 24.62%) increase from the fiscal year 2016 total of $8,912,419. Unrestricted net position increased in fiscal year 2016 by $2,471,965 and increased in fiscal year 2015 by $65,636.

- The County's governmental funds reported total ending fund balance of $24,615,630 in fiscal year 2017 compared to $22,533,888 in fiscal year 2016. This is an increase of $2,081,742 (or 9.24%). This increase was largely due to increases in fund balances for the General Fund and the combined total of all non-major funds. The General Fund showed an increase of $2,068,582 while the combined total of non-major funds increased by $1,947,650. Each of the SPLOST funds as well as the Series 2012 SPLOST GO bond fund saw a decrease in fiscal year 2017. The cumulative decrease of $1,934,490 was largely due to the $1,342,830 decrease in the SPLOST 02 fund for construction of the multi-purpose agricultural arena.

- At the end of the current fiscal year, fund balance for the General Fund was $9,626,562 (or 25.09%) of total General Fund expenditures and operating transfers out. Of this balance, $847,452 was non-spendable, which includes amounts that are in a non-spendable form or are required to remain intact (inventories, endowment from a corpus fund, prepaid items, long-term loans and notes receivable etc.). $70,347 of the General Fund balance was restricted for recreation and greenspace projects. The remaining $8,708,763 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 $7,557,980 (or 21.5%) of total General Fund expenditures and operating transfers out in fiscal year 2016.

- Overall, the County's operating financial position continues to recover from the 2008-2009 recession as fund reserves are slowly being rebuilt. The County realized increases in fund reserves in fiscal years 2015, 2016 and 2017, and is now at a 25.09% ratio of total fund balance to total operating expenditures and transfers out. However, the County is only at a 22.7% ratio of unassigned fund balance to total operating expenditures and transfers out and desires a minimum of ratio of 25% unassigned fund balance. The primary reason for this is because the County's overall cash flow can vary greatly from month to month. 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. Therefore, the County aspires to continue increasing the unassigned fund balance in fiscal year 2018.

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, 2017. 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, 2017 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	2017 Governmental Activities	2016 Governmental Activities	Standard	2017 Adherence to Standard
Current Ratio	3.72	4.29	2.0 or >	**Positive**
Total Debt to Equity Ratio	0.084	0.114	1.0 or <	**Positive**
Working Capital	$24,138,950	$21,969,674	NA (1)	**NA (1)**
Current Liabilities Ratio	0.109	0.087	0.05 or <	**Negative**
Operating Position	0.219	0.175	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%	100.0%	100.0%	**Positive**
Net Overlapping Debt	unavailable (2)	unavailable (2)	NA (1)	**NA (1)**
Net Direct Long-Term Debt Per Capita	unavailable (2)	$171.64	NA (1)	**NA (1)**

(1) NA - Not applicable.
(2) Bulloch County Board of Education – 100%. Data is not available at the time of this report.

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 $84,568,435 at 2017 fiscal year-end compared to the fiscal year 2016 figure of $80,442,741. 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	
	2017	2016	2017	2016	2017	2016	2017	2016
Assets								
Current Assets	33,022,621	28,653,668	2,090,368	131,966	35,112,989	28,785,634	31.9%	29.4%
Capital Assets	64,017,916	63,351,463	10,901,002	5,672,695	74,918,918	69,024,158	68.1%	70.6%
Total Assets	**97,040,537**	**92,005,131**	**12,991,370**	**5,804,661**	**110,031,907**	**97,809,792**	**100%**	**100%**
Liabilities								
Current Liabilities	8,883,671	6,683,994	2,543,137	605,848	11,426,808	7,289,842	44.9%	42%
Long-Term Liabilities	6,805,474	8,712,316	7,231,190	1,364,893	14,036,664	10,077,209	55.1%	58%
Total Liabilities	**15,689,145**	**15,396,310**	**9,774,327**	**1,970,741**	**25,463,472**	**17,367,051**	**100%**	**100.0%**
Net Position								
Net Investment in Capital Assets	57,516,150	55,172,298	3,242,154	3,918,012	60,758,304	59,090,310	71.8%	73.5%
Restricted – Capital Projects	8,120,248	9,874,396	-	-	8,120,248	9,874,396	9.7%	12.2%
Restricted – Other Purposes	4,583,613	2,565,616	-	-	4,583,613	2,565,616	5.4%	3.2%
Unrestricted	11,131,381	8,996,511	(25,111)	(84,092)	11,106,270	8,912,419	13.1%	11.1%
Total Net Position	**81,351,392**	**76,608,821**	**3,217,043**	**3,833,920**	**84,568,435**	**80,442,741**	**100%**	**100.0%**

The County reported an increasing balance in total net position in the amount of $4,742,571 (or 6.2%) for governmental activities and decreasing total net position in the amount of $616,877 (or 16.1%) for business-type activities. This is largely attributed to the expansion of SPLASH in the 'Boro during fiscal year 2017, for which the debt issued was greater than the associated construction in progress as of June 30, 2017.

Note that in fiscal year 2017 and 2016, respectively 71.8% and 73.5% 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 11.7% of total net

position to 13.7% between fiscal years 2016 and 2017. For business-type activities, unrestricted net position increased slightly (0.8%) from fiscal year 2016 to 2017.

Summary of Changes in Net Position

	2017				2016			
	Governmental Activities	Business Activities	Total	Percentage of Total	Governmental Activities	Business Activities	Total	Percentage of Total
Program Revenues								
Fees, Fines, Charges for Services	12,324,111	1,947,791	14,271,902	24.2%	12,176,118	1,955,014	14,131,132	24.8%
Operating Grants and Contributions	2,857,449		2,857,449	4.8%	1,299,453		1,299,453	2.3%
Capital Grants and Contributions	2,491,896		2,491,896	4.2%	3,626,935		3,626,935	6.4%
General Revenues								
Taxes	38,916,379		38,916,379	65.9%	37,549,170		37,549,170	65.9%
Other	529,515		529,515	0.9%	373,912		373,912	0.6%
Total Revenues	**57,119,350**	**1,947,791**	**59,067,141**	**100.0%**	**55,025,588**	**1,955,014**	**56,980,602**	**100.0%**
Program Expenses								
General Government	5,240,018			9.5%	4,439,402		4,439,402	8.6%
Judicial	3,574,056			6.5%	3,373,532		3,373,532	6.5%
Public Safety	22,420,363			40.8%	21,270,792		21,270,792	41.1%
Public Works	7,649,144			13.9%	7,463,122		7,463,122	14.4%
Sanitation	4,684,529			8.5%	4,554,937		4,554,937	8.9%
Health and Welfare	484,204			1.0%	392,179		392,179	0.8%
Libraries and Recreation	5,273,835			9.6%	5,386,882		5,386,882	10.4%
Airport	826,381			1.5%	750,905		750,905	1.5%
Housing and Development	1,774,560			3.2%	1,284,833		1,284,833	2.5%
Education	419,398			0.8%	431,735		431,735	0.8%
Interest	120,291			0.2%	179,896		179,896	0.3%
Aquatic Center		2,474,668		4.5%		2,043,461	2,043,461	3.9%
Agribusiness Center						236,985	236,985	0.5%
Total Expenses	**52,466,779**	**2,474,668**	**54,941,447**	**100.0%**	**49,528,215**	**2,280,446**	**51,808,661**	**100.0%**
Excess (Deficiency)	4,652,571	(526,877)	4,125,694		5,497,373	(325,432)	5,171,941	
Transfers	90,000	(90,000)			2,369,438	(2,369,438)		
Change in Net Position	4,742,571	(616,877)	4,125,694		7,866,811	(2,694,870)	5,171,941	
Beginning Net Position	**76,608,821**	**3,833,920**	**80,442,741**		**68,742,010**	**6,528,790**	**75,270,800**	
Ending Net Position	**81,351,392**	**3,217,043**	**84,568,435**		**76,608,821**	**3,833,920**	**80,442,741**	

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 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 2017 figures are unavailable at this time, if the county and municipal governments had split $10,266,941 in local option sales taxes in fiscal year 2016 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 2017, sales taxes of $10,520,481 out of $57,119,350 in total governmental funds revenues (or 18.42%) 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 $4,770 in fiscal year 2017, and $6,801 in fiscal year 2016, in interest to support governmental activities. Also, note that program revenues covered 33.7% in fiscal year 2017, and 34.5% in fiscal year 2016 of governmental operating expenses. This means that the government's taxpayers and the other general revenues funded the remaining 66.3% in fiscal year 2017, and 65.5% in fiscal year 2016 of the governmental activities.

Property taxes are an important source of revenue to Bulloch County's General Fund. In fiscal year 2017, property tax revenues were $23,163,604 (or 58.4% of total general fund revenues), and in fiscal year 2016, were $22,558,671 (or 61.0% 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 42.7% of the County's total governmental activity expenses in fiscal year 2017, followed by Public Works (14.6%) and Libraries and Recreation (10%). In fiscal year 2016, those figures were 42.9%, 15.1% and 10.9% 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			
	2017		2016	
	Total Cost of Services	**Net Cost of Services**	**Total Cost of Services**	**Net Cost of Services**
General Government	5,240,018	(3,904,924)	4,439,402	(3,092,646)
Judicial	3,574,056	(2,486,807)	3,373,532	(2,418,980)
Public Safety	22,420,363	(14,961,261)	21,270,792	(13,975,509)
Public Works	7,649,144	(4,918,795)	7,463,122	(4,336,695)
Sanitation	4,684,529	(3,748,751)	4,554,937	(3,764,542)
Health and Welfare	484,204	(484,204)	392,179	(392,179)
Recreation	4,730,173	(2,500,018)	4,843,280	(2,902,734)
Libraries	543,662	(543,662)	543,602	(543,602)
Airport	826,381	(148,286)	750,905	244,425
Housing and Development	1,774,560	(976,324)	1,284,833	(1,063,351)
Education	419,398		431,735	
Interest	120,291	(120,291)	179,896	(179,896)
Total	**52,466,779**	**(34,793,323)**	**49,528,215**	**(36,425,709)**

For fiscal year 2017, all functions except Education required a subsidy from general revenues comprising 66.3% of all expenses. For fiscal year 2016, all functions except Education and the Airport required a subsidy from general revenues comprising 65.5% of all expenses.

Business-Type Activities: Revenues vs. Expenses

For fiscal year 2017, the only enterprise fund was the Aquatic Center Fund (Splash in the 'Boro). When compared to the aggregate of the enterprise funds in fiscal year 2016, which also included the Agribusiness Center Fund, the operating revenues for the county enterprise fund were 0.37% below those in 2016 and operating expenses were 4.78% above those in fiscal year 2016, creating an operating loss of $307,508 in fiscal year 2017 compared to an operating loss of $197,372 in fiscal year 2016. After non-operating expense and transfers in and out between other funds, business type activities reported a loss of $616,877 in fiscal year 2017, compared to a loss of $2,694,870 which was attributed to the consolidation of the Agribusiness Center Fund into the General Fund and contributed $2,366,259 or 87.8% of the loss in fiscal year 2016. However, when evaluating the Aquatic Center Fund only, operating revenues increased by $82,841 (or 4.44%) from $1,864,950 in fiscal year 2016 to $1,947,791 in fiscal year 2017. While revenues increased in fiscal year 2017, the operating expenses increased as well by $279,251 (or 14.13%) from $1,976,048 in fiscal year 2016 to $2,255,299 in fiscal year 2017, creating an operating loss of $307,508. The loss was chiefly caused by a delayed opening of the park and the ability to generate revenues while having increased operating expenses from the park expansion and addition of a wave pool.

Business-Type Activities: Operating Income (Loss)

	2017		2016	
	Amount	**Percent Change**	**Amount**	**Percent Change**
Aquatic Center Fund	($307,508)	(176.79%)	($111,098)	(269.06%)
Agribusiness Center Fund	-	-	($86,274)	(0.57%)

The County also began transferring resources from the business-type activities beginning in fiscal year 2006. $90,000 was transferred out of the Aquatic Center Fund to the general fund in 2017. 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 $24,615,630 in fiscal year 2017, compared to $22,533,888 in fiscal year 2016. Of these year-end totals in fiscal year 2017, $925,284 was non-spendable, $15,006,917 was restricted and $8,683,429 was unassigned.

The total ending fund balances of governmental funds show an increase in fiscal year 2017 of $2,081,742 (or 9.24%) compared to an increase in fiscal year 2016 of $1,298,239 (or 6.11%). The increase in total ending fund balances of governmental funds in fiscal year 2017 is attributed to the receipt of funds from the federal and state governments for disaster relief in relation to Hurricane Matthew and to the receipt of debt proceeds that had not been wholly spent by fiscal year end.

Total taxes in governmental funds were $1,347,105 (or 3.59%) more than in fiscal year 2016. Charges for services increased by $541,395 (or 5.81%) in fiscal year 2017.

The governmental funds' expenditures increased by $2,026,552 (or 3.76%), in fiscal year 2017 due largely to the increase in capital expenditures from SPLOST funds and due to the expense related to disaster recovery noted above as well as the County's ability to utilize recovery assistance funds to pay for repairs and maintenance on numerous County facilities.

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 $2,068,582 in fiscal year 2017.

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 $180,210 for the year ended June 30, 2017 due to an increase in premiums revenue compared to fiscal year 2016. This fund had claims liability of $750,000 at June 30, 2017 compared to $425,000 at the end of fiscal year 2016.

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 $39,699,786 or 103.12% of the budgeted revenues in the appropriated budget. Overall, the County recognized expenditures equal to $37,160,411 or 97.13% 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, 2017 was $74,918,918. That compares to the fiscal year 2016 investment of $69,024,158.

The fiscal year 2017 totals in net investment increased by $666,453 (or 1.05%) for governmental activities and $5,228,307 (or 92.17%) for business-type activities. The overall increase was $5,894,760 (or 8.54%) 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	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Non-depreciable Assets						
Land	3,913,858	3,790,809	73,305	73,305	3,987,163	3,864,114
Construction in Progress	3,294,130	854,397	5,681,199	7,500	8,975,329	861,897
Total Non-Depreciable	**7,207,988**	**4,645,206**	**5,754,504**	**80,805**	**12,962,492**	**4,726,011**
Depreciable Assets						
Buildings	47,606,869	47,361,931	4,213,244	4,213,244	51,820,113	51,575,175
Improvements Other Than Buildings	7,129,771	6,375,927	5,332,928	5,332,928	12,462,699	11,708,855
Machinery and Equipment	27,051,664	26,105,934	517,527	517,527	27,569,191	26,623,461
Infrastructure	132,103,983	130,603,583	-	-	132,103,983	130,603,583
Total Depreciable Assets	**213,892,287**	**210,447,375**	**10,063,699**	**10,063,699**	**223,955,986**	**220,511,074**
Less Accumulated Depreciation	**157,082,359**	**151,741,118**	**4,917,201**	**4,471,809**	**161,999,560**	**156,212,927**
Book Value: Depreciable Assets	**56,809,928**	**58,706,257**	**5,146,498**	**5,591,890**	**61,956,426**	**64,298,147**
Percentage Depreciated	**73.44%**	**72.10%**	**48.86%**	**44.44%**	**72.34%**	**70.84%**
Total Book Value	**64,017,916**	**63,351,463**	**10,901,002**	**5,672,695**	**74,918,918**	**69,024,158**

The County began reporting its governmental infrastructure constructed each year in fiscal year 2003. The only change in infrastructure between fiscal year 2016 and fiscal year 2017 were additions to the local road system.

The large increase in the Business Activities assets is due to a construction project to expand the Splash in the 'Boro water park, which was still in process at the end of FY 2017. In the County's business-type activities, 48.86% of the asset values were depreciated at June 30, 2017, compared to 44.44% for fiscal year 2016.

At June 30, 2017, the depreciable capital assets for governmental activities were 73.44% depreciated. This percentage is consistent with the fiscal year 2016 amount of 72.1%. 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 $16,516,168 of outstanding long-term debt in the form of capital leases, notes payable, General Obligation Sales Tax Bonds Series 2012 and 2017 Certificates of Participation, 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 fiscal year 2032. There are two notes payable to the Georgia Environmental Facilities Authority with outstanding principal amounts of $11,348 with

maturity occurring in 2018 and an outstanding balance of $497,731 with maturity occurring in fiscal year 2033. 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. The balance of the Certificates of Participation for the Splash in the 'Boro park expansion at June 30, 2017 was $7,658,848, which will be repaid through user fees.

The governmental activities reported capital leases of $1,697,168, a net increase of $471,942 or 38.5% from 2016. Notes Payable decreased by $141,089 (or 21.7%). Compensated absences increased by $120,347 or 18.1% in fiscal year 2017. The county continues to aggressively follow its plan to pay down its long-term debt obligations to improve its financial operating position and to maintain structural budget integrity.

Long-Term Debt Obligations

	Governmental Activities		Business-Type		Totals	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Capital Leases	1,697,168	1,225,226	-	-	1,697,168	1,225,226
Notes Payable	509,079	650,168	-	1,754,683	509,079	2,404,851
Bonds Payable	6,651,073	8,839,667	7,658,848	-	14,309,921	8,839,667
Compensated Absences	787,110	666,736	2,928	7,327	790,038	674,063
Total	**9,644,430**	**11,381,797**	**7,661,776**	**1,762,010**	**17,306,206**	**13,143,807**

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 2017 fiscal year saw Bulloch County's local economy continuing its recovery from the state and national recession in 2008-2009.

There are numerous entities in Bulloch County that play an integral part in the success of the local economy, such as educational institutions like Georgia Southern University, manufacturers such as Briggs and Stratton, Viracon, GAF and WL Plastics, and distribution centers such as Wal-Mart. Additionally, Bulloch County lies in close proximity to Chatham, Bryan and Effingham Counties. This location offers advantages to Bulloch County from a regional perspective; the port of Savannah continues to grow as does development in the southeast region, creating capital investment, jobs and tourism. Furthermore, Bulloch County continues 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. The County plans to renew the Special Purpose Local Option Sales Tax in 2019.

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 2016 Census inter-censal population estimate released in 2017 was 73,141, which is a 0.7% increase from 2015 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 2017 calendar year is not yet available, indicators from prior years are as follows: Per capita income for Bulloch County increased from $29,258 in 2015 to $29,737 in 2016, or 1.6%.
- ***Positive:*** County sales taxes collections in fiscal year 2017 increased by 2.9% from $10,223,603 in fiscal year 2016 to $10,520,481. 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 33,490 to 34,011 (or 1.6%) from June 2016 to June 2017.
- ***Neutral:*** The monthly unemployment rate for Bulloch County in June 2017 was 5.9%, which was slightly above the level of 5.2% at the end of the prior fiscal year in June 2016. The local rate was higher than both the state rate of 5.1% and the national rate of 4.5%, still falling below the desired rate for frictional unemployment.
- ***Positive:*** The Consumer Price Index for the Urban South Consumers increased by 1.5% during the Fiscal Year 2017 period, which is slightly less than the national growth rate of 2.1%.
- ***Positive:*** The comprehensive net countywide tax digest increased 3.43% from $1,962,909,958 in 2016 to $2,030,286,776 in 2017.
- ***Positive:*** The average weekly wage rate for Bulloch County increased 2.22% from June 2016 to June 2017, continuing a positive trend in that area.
- ***Positive:*** The calendar year 2017 saw a lot of growth in building permits for the County. Single-family building permits increased in Bulloch County from 128 units in Calendar Year 2016 to 271 units in 2017, a 111.72% increase.
- ***Positive:*** While data for the 2017 calendar year is not yet available, indicators from the two prior years were positive; model-based estimates indicate that the poverty rate in Bulloch County has decreased from 31.4% in 2014 to 29.9% in 2015 and decreased again to 24.0% in 2016.

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 2018 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, 2018.

- 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, 2017, 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 2017 is the third year of growth in the General Fund since fiscal year 2010. Fund balance was $7.5 million at the close of fiscal year 2016 and $9.6 million at the close of fiscal year 2017.

In the last several fiscal years, the County has attempted to restrict expenditure growth by 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.

As the County moves forward through 2018, 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. Expenditures must be controlled, and consideration must be given to 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 2018 to continue improving both general efficiency and financial results. They are:

- Recommendation of minimal, strategic pay increases for FY 2018, 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 M. Couch
County Manager

Andrew Welch
Assistant County Manager

Whitney Richland
Chief Financial Officer

115 North Main Street
Statesboro, Georgia, 30459
(912) 764-6245

BULLOCH COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Bulloch County Board of Health	Development Authority of Bulloch County
ASSETS					
Current Assets:					
Cash	$ 28,889,437	$ 2,089,825	$ 30,979,262	$ 1,669,853	$ 2,288,652
Receivables:					
Taxes	584,911	-	584,911	-	-
Intergovernmental	2,216,846	-	2,216,846	74,534	20,834
Internal balances	-	-	-	-	-
Other	396,077	543	396,620	-	120,000
Prepaid items	905,001	-	905,001	-	-
Inventories	30,349	-	30,349	-	-
Total Current Assets	33,022,621	2,090,368	35,112,989	1,744,387	2,429,486
Capital Assets:					
Nondepreciable capital assets	7,207,988	5,754,504	12,962,492	-	10,897,121
Depreciable capital assets, net	56,809,928	5,146,498	61,956,426	78,342	2,822,241
Total Capital Assets	64,017,916	10,901,002	74,918,918	78,342	13,719,362
Total Assets	97,040,537	12,991,370	110,031,907	1,822,729	16,148,848
DEFERRED OUTFLOWS OF RESOURCES					
Resources related to pensions	-	-	-	360,169	-
LIABILITIES					
Current Liabilities:					
Accounts payable	4,403,647	1,993,616	6,397,263	-	1,079
Accrued payroll	657,109	92,113	749,222	-	-
Accrued interest payable	108,271	26,822	135,093	-	-
Unearned revenue	125,688	-	125,688	-	349,684
Claims payable	750,000	-	750,000	-	-
Compensated absences payable	157,422	586	158,008	32,067	-
Bonds payable	2,005,000	430,000	2,435,000	-	-
Capital leases payable	640,283	-	640,283	-	-
Notes payable	36,251	-	36,251	-	-
Total Current Liabilities	8,883,671	2,543,137	11,426,808	32,067	350,763
Long-Term Liabilities:					
Compensated absences payable (net of current portion)	629,688	2,342	632,030	32,066	-
Net pension obligation	-	-	-	1,330,809	-
Bonds payable (net of current portion)	4,646,073	7,228,848	11,874,921	-	-
Capital leases payable (net of current portion)	1,056,885	-	1,056,885	-	-
Notes payable (net of current portion)	472,828	-	472,828	-	-
Total Long-Term Liabilities	6,805,474	7,231,190	14,036,664	1,362,875	-
Total Liabilities	15,689,145	9,774,327	25,463,472	1,394,942	350,763
DEFERRED INFLOWS OF RESOURCES					
Resources related to pensions	-	-	-	7,991	-
NET POSITION					
Net investment in capital assets	57,516,150	3,242,154	60,758,304	78,342	13,719,362
Restricted for:					
Capital projects	8,120,248	-	8,120,248	-	-
Other purposes	4,583,613	-	4,583,613	487,977	2,078,723
Unrestricted	11,131,381	(25,111)	11,106,270	213,646	-
Total Net Position	$ 81,351,392	$ 3,217,043	$ 84,568,435	$ 779,965	$ 15,798,085

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

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	$ 5,240,018	$ 849,575	$ 485,519	-	$ (3,904,924)		$ (3,904,924)		
Judicial	3,574,056	862,913	224,336	-	(2,486,807)		(2,486,807)		
Public safety	22,420,363	7,023,124	408,835	$ 27,143	(14,961,261)		(14,961,261)		
Public works	7,649,144	86,073	1,160,447	1,483,829	(4,918,795)		(4,918,795)		
Sanitation	4,684,529	813,778	122,000	-	(3,748,751)		(3,748,751)		
Health and welfare	484,204	-	-	-	(484,204)		(484,204)		
Recreation	4,730,173	1,806,793	34,502	388,860	(2,500,018)		(2,500,018)		
Libraries	543,662	-	-	-	(543,662)		(543,662)		
Airport	826,381	583,619	2,412	92,064	(148,286)		(148,286)		
Housing and development	1,774,560	298,236	-	500,000	(976,324)		(976,324)		
Education	419,398	-	419,398	-	-		-		
Interest and fiscal charges	120,291	-	-	-	(120,291)		(120,291)		
Total governmental activities	52,466,779	12,324,111	2,857,449	2,491,896	(34,793,323)		(34,793,323)		
Business-type Activities									
Aquatic Center	2,474,668	1,947,791	-	-	-	$ (526,877)	(526,877)		
Total - Primary Government	$ 54,941,447	$ 14,271,902	$ 2,857,449	$ 2,491,896	$ (34,793,323)	$ (526,877)	$ (35,320,200)		
Component Units:									
Bulloch County Board of Health	$ 1,702,863	$ 594,724	$ 1,111,192	-				$ 3,053	-
Development Authority of Bulloch County	1,556,313	393,000	250,000	$ 999,974				-	$ 86,661
Total Component Units	$ 3,259,176	$ 987,724	$ 1,361,192	$ 999,974				3,053	86,661
		General Revenues							
		Property taxes levied for:							
		General purposes			23,163,604	-	23,163,604	-	-
		Fire protection			1,527,924	-	1,527,924	-	-
		Streetlight tax districts			76,052	-	76,052	-	-
		Sales taxes			10,520,481	-	10,520,481	-	-
		Insurance premium tax			2,211,755	-	2,211,755	-	-
		Other taxes			1,416,563	-	1,416,563	-	-
		Interest earned			3,806	-	3,806	-	2,484
		Gain on sale of capital assets			18,177	-	18,177	-	24,090
		Other			507,532	-	507,532	-	7,000
		Total General Revenues			39,445,894	-	39,445,894	-	33,574
		Transfers			90,000	(90,000)	-	-	-
		Total General Revenues and Transfers			39,535,894	(90,000)	39,445,894	-	33,574
		Change in Net Position			4,742,571	(616,877)	4,125,694	3,053	120,235
		Net Position Beginning of Year			76,608,821	3,833,920	80,442,741	776,912	15,677,850
		Net Position End of Year			$ 81,351,392	$ 3,217,043	$ 84,568,435	$ 779,965	$ 15,798,085

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	Sales Tax Bonds Construction	SPLOST 02	SPLOST 07	SPLOST 13	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash	$ 9,854,744	$ 2,355,554	$ 3,060,134	$ 148,240	$ 6,172,822	$ 4,575,339	$ 26,166,833
Receivables:							
Taxes	563,227	-	-	-	-	21,684	584,911
Intergovernmental	805,456	-	-	400,000	947,302	64,088	2,216,846
Other	103,225	-	-	458	-	199,111	302,794
Due from other funds	-	-	-	-	-	30,565	30,565
Prepaid items	847,452	-	-	-	-	47,483	894,935
Inventories	-	-	-	-	-	30,349	30,349
TOTAL ASSETS	$ 12,174,104	$ 2,355,554	$ 3,060,134	$ 548,698	$ 7,120,124	$ 4,968,619	$ 30,227,233
LIABILITIES							
Accounts payable	$ 1,425,543	-	$ 217,371	$ 500,000	$ 1,891,337	$ 301,931	$ 4,336,182
Accrued payroll liabilities	631,274	-	-	-	-	22,494	653,768
Due to other funds	30,565	-	-	-	-	-	30,565
Unearned revenue	10,752	-	-	-	-	114,936	125,688
TOTAL LIABILITIES	2,098,134	-	217,371	500,000	1,891,337	439,361	5,146,203
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	449,408	-	-	-	-	15,992	465,400
FUND BALANCES							
Nonspendable	847,452	-	-	-	-	77,832	925,284
Restricted	70,347	$ 2,355,554	2,842,763	48,698	5,228,787	4,460,768	15,006,917
Unassigned	8,708,763	-	-	-	-	(25,334)	8,683,429
TOTAL FUND BALANCES	9,626,562	2,355,554	2,842,763	48,698	5,228,787	4,513,266	24,615,630
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 12,174,104	$ 2,355,554	$ 3,060,134	$ 548,698	$ 7,120,124	$ 4,968,619	$ 30,227,233

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, 2017

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Fund Balances		$ 24,615,630
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	$ 221,100,275	
Less accumulated depreciation	(157,082,359)	64,017,916
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds:		
Property taxes		465,400
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.		2,005,147
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	$ (108,271)	
Bonds payable	(6,651,073)	
Capital leases payable	(1,697,168)	
Notes payable	(509,079)	
Compensated absences	(787,110)	(9,752,701)
Net Position Of Governmental Activities		$ 81,351,392

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, 2017

	General	Sales Tax Bonds Construction	SPLOST 02	SPLOST 07	SPLOST 13	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Taxes	$ 26,718,247	-	-	-	$ 10,520,481	$ 1,616,746	$ 38,855,474
Licenses and permits	517,588	-	-	-	-	-	517,588
Charges for services	7,678,508	-	-	-	-	2,175,072	9,853,580
Fees, fines and forfeitures	1,508,064	-	-	-	-	305,452	1,813,516
Intergovernmental	2,766,078	-	-		92,064	1,985,276	4,843,418
Interest	3,769	$ 213	-	$ 244	507	37	4,770
Other	507,532	-	-	-	-	139,428	646,960
Total revenues	39,699,786	213	-	244	10,613,052	6,222,011	56,535,306
EXPENDITURES							
Current:							
General government	5,023,557	-	-	-	-	2,500	5,026,057
Judicial	3,258,958	-	-	-	-	-	3,258,958
Public safety	16,743,396	-	-	-	-	3,090,504	19,833,900
Public works	2,616,557	-	-	-	-	73,798	2,690,355
Sanitation	2,383,712	-	-	-	-	-	2,383,712
Health and welfare	365,830	-	-	-	-	-	365,830
Recreation	4,669,414	-	-	-	-	-	4,669,414
Libraries	535,300	-	-	-	-	-	535,300
Airport	-	-	-	-	-	579,302	579,302
Housing and development	937,313	-	-	-	-	12,047	949,360
Capital outlay				-			
General government	-	-	-	-	333,869	-	333,869
Public safety	-	-	-	-	484,750	612,418	1,097,168
Sanitation	-	-	-	-	2,035,267	-	2,035,267
Public works	-	-	-	-	1,364,007	1,178,919	2,542,926
Recreation	-	-	$ 1,342,830	-	256,883	-	1,599,713
Airport	-	-	-	80,192	140,277	-	220,469
Housing and development	-	39,639	-	-	-	519,190	558,829
Debt service:							
Principal	188,541	-	-	-	2,518,751	173,355	2,880,647
Interest	18,435	140,975	-	-	215,369	-	374,779
Intergovernmental	419,398	-	-	-	3,595,190	-	4,014,588
Total expenditures	37,160,411	180,614	1,342,830	80,192	10,944,363	6,242,033	55,950,443
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,539,375	(180,401)	(1,342,830)	(79,948)	(331,311)	(20,022)	584,863
OTHER FINANCING SOURCES (USES)							
Transfers in	265,690	-	-	-	-	1,191,012	1,456,702
Transfers out	(1,210,251)	-	-	-	-	(48,340)	(1,258,591)
Proceeds from capital lease	436,500	-	-	-	-	825,000	1,261,500
Sale of capital assets	37,268	-	-	-	-	-	37,268
Total other financing sources (uses)	(470,793)	-	-	-	-	1,967,672	1,496,879
NET CHANGE IN FUND BALANCES	2,068,582	(180,401)	(1,342,830)	(79,948)	(331,311)	1,947,650	2,081,742
FUND BALANCES, JULY 1, 2016	7,557,980	2,535,955	4,185,593	128,646	5,560,098	2,565,616	22,533,888
FUND BALANCES, JUNE 30, 2017	$ 9,626,562	$ 2,355,554	$ 2,842,763	$ 48,698	$ 5,228,787	$ 4,513,266	$ 24,615,630

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, 2017

Amounts reported for governmental activities in the statement of activities are different because:			
Net Change In Fund Balances - Total Governmental Funds			$ 2,081,742
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	$ (5,789,129)	
	Capital outlay	6,474,673	685,544
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 @ 6/30/17	465,400	
	Unavailable @ 6/30/16	(404,495)	60,905
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.			(19,091)
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.			180,210
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.			(1,261,500)
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.			238,594
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.			2,880,647
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.			(104,480)
Change In Net Position of Governmental Activities			$ 4,742,571

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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 23,018,700	$ 23,169,815	$ 23,101,976	$ (67,839)
Alcoholic beverage	275,000	277,778	277,778	-
Insurance premium	2,130,580	2,211,755	2,211,755	-
Other	752,000	1,045,563	1,126,738	81,175
Licenses and permits	424,950	535,196	517,588	(17,608)
Charges for services	7,281,258	7,662,925	7,678,508	15,583
Fines and forfeitures	1,506,200	1,515,038	1,508,064	(6,974)
Intergovernmental	1,380,823	1,704,625	2,766,078	1,061,453
Interest	3,325	3,325	3,769	444
Other	280,220	373,557	507,532	133,975
Total revenues	37,053,056	38,499,577	39,699,786	1,200,209
EXPENDITURES				
Current:				
General government:				
Governing body	126,417	136,479	135,731	748
County manager	331,320	331,320	330,225	1,095
County clerk	97,443	98,154	98,154	-
Financial administration	501,081	778,250	776,942	1,308
Staff attorney	197,112	197,112	182,346	14,766
Human resources	187,679	187,679	169,502	18,177
Personnel services	150,000	150,000	-	150,000
Public relations	34,400	34,400	34,204	196
General administration fees	58,000	58,000	57,904	96
Engineering	120,248	123,402	123,402	-
Elections	310,386	310,386	258,796	51,590
General government buildings	796,890	894,246	891,759	2,487
Risk management/General insurance	447,331	471,686	471,686	-
Tax assessor	734,870	734,870	674,259	60,611
Geographic information system	141,222	143,020	143,020	-
Tax commissioner	690,067	690,067	675,627	14,440
Total general government	4,924,466	5,339,071	5,023,557	315,514
Judicial:				
Clerk of Courts	847,587	847,587	832,990	14,597
Superior Court	271,785	277,946	277,946	-
State Court	280,647	280,647	280,182	465
Mental health Court	145,451	145,451	117,909	27,542
State Court Solicitor	279,194	279,194	243,441	35,753
District Attorney	328,700	328,700	328,700	-
Indigent defense	347,100	347,100	286,514	60,586
Magistrate Court	613,852	613,852	603,754	10,098
Probate Court	263,880	287,522	287,522	-
Total judicial	3,378,196	3,407,999	3,258,958	149,041
Public safety:				
Animal control	188,883	191,624	191,624	-
Animal shelter	311,428	344,249	344,249	-
Coroner	96,189	98,665	98,665	-
County correctional	1,941,225	1,965,939	1,959,898	6,041
Public safety administration	266,417	275,803	275,803	-
Probation	609,150	609,150	582,748	26,402
Emergency medical service	2,647,626	2,653,598	2,653,894	(296)
Jail	4,110,142	4,168,834	4,156,338	12,496
Sheriff	4,025,403	4,025,403	4,041,890	(16,487)
Seized drug funds	20,000	46,324	46,324	-
Criminal investigation	580,524	634,120	634,120	-
Crime suppression	883,466	883,466	791,657	91,809
Court security	1,024,888	1,024,888	966,186	58,702
Total public safety	16,705,341	16,922,063	16,743,396	178,667

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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Public works:				
Roads	$ 2,660,275	$ 2,660,275	$ 2,285,824	$ 374,451
Fleet management	318,475	330,733	330,733	-
Total public works	2,978,750	2,991,008	2,616,557	374,451
Sanitation	2,272,044	2,383,712	2,383,712	-
Health and welfare:				
Health department	172,210	174,843	174,843	-
Other health and welfare	187,800	198,359	190,987	7,372
Total health and welfare	360,010	373,202	365,830	7,372
Recreation	4,444,458	4,738,631	4,669,414	69,217
Libraries	535,300	535,300	535,300	-
Housing and development:				
Agricultural resources	220,632	220,632	216,931	3,701
Building inspections	285,491	285,491	262,672	22,819
Planning and zoning	197,464	207,710	207,710	-
Economic development	250,000	250,000	250,000	-
Total housing and development	953,587	963,833	937,313	26,520
Debt service:				
Principal	70,800	164,918	188,541	(23,623)
Interest	-	18,435	18,435	-
	70,800	183,353	206,976	(23,623)
Intergovernmental - Bulloch County Board of Education	-	419,398	419,398	-
Total expenditures	36,622,952	38,257,570	37,160,411	1,097,159
EXCESS OF REVENUES OVER EXPENDITURES	430,104	242,007	2,539,375	2,297,368
OTHER FINANCING SOURCES (USES)				
Transfers in	407,525	407,525	265,690	(141,835)
Transfers out	-	-	(1,210,251)	(1,210,251)
Proceeds from capital lease	-	319,601	436,500	116,899
Sale of capital assets	25,000	25,000	37,268	12,268
Total other financing sources (uses)	432,525	752,126	(470,793)	(1,222,919)
NET CHANGE IN FUND BALANCE	$ 862,629	$ 994,133	2,068,582	$ 1,074,449
FUND BALANCE, BEGINNING OF YEAR			7,557,980	
FUND BALANCE, END OF YEAR			$ 9,626,562	

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business Type Activities - Enterprise Fund	Governmental Activities
	Aquatic Center	Internal Service Funds
ASSETS		
Current Assets		
Cash	$ 2,089,825	$ 2,722,604
Accounts receivable	543	93,283
Prepaid expense	-	10,066
Total Current Assets	2,090,368	2,825,953
Noncurrent Assets		
Capital Assets		
Land	73,305	-
Buildings and improvements	9,546,172	-
Machinery and equipment	517,527	-
Construction in progress	5,681,199	-
Less accumulated depreciation	(4,917,201)	-
Total Capital Assets	10,901,002	-
Total Assets	12,991,370	2,825,953
LIABILITIES		
Current Liabilities		
Accounts payable	1,993,616	67,465
Accrued payroll	92,113	3,341
Accrued interest payable	26,822	-
Bonds payable	430,000	-
Claims payable	-	750,000
Compensated absences payable	586	-
Total Current Liabilities	2,543,137	820,806
Long-Term Liabilities		
Compensated absences payable (net of current portion)	2,342	-
Bonds payable (net of current portion)	7,228,848	-
Total Long-Term Liabilities	7,231,190	-
Total Liabilities	9,774,327	820,806
NET POSITION		
Net investment in capital assets	3,242,154	-
Unrestricted	(25,111)	2,005,147
Total Net Position	$ 3,217,043	$ 2,005,147

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, 2017

	Business Type Activities - Enterprise Funds	Governmental Activities
	Aquatic Center	Internal Service Funds
OPERATING REVENUES		
Charges for services	$ 1,947,791	$ 868,387
Premiums	-	4,553,823
Total operating revenues	1,947,791	5,422,210
OPERATING EXPENSES		
Salaries and benefits	845,079	124,626
Materials and supplies	713,968	750,857
Purchased/contracted services	250,859	553,062
Depreciation	445,393	-
Claims	-	3,705,344
Total operating expenses	2,255,299	5,133,889
OPERATING INCOME (LOSS)	(307,508)	288,321
NON-OPERATING REVENUE (EXPENSE)		
Interest expense	(15,882)	-
Debt issuance costs	(203,487)	-
Total non-operating revenue (expense)	(219,369)	-
INCOME (LOSS) BEFORE TRANSFERS	(526,877)	288,321
TRANSFERS IN (OUT)	(90,000)	(108,111)
CHANGE IN NET POSITION	(616,877)	180,210
NET POSITION, JULY 1, 2016	3,833,920	1,824,937
NET POSITION, JUNE 30, 2017	$ 3,217,043	$ 2,005,147

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business Type Activities - Enterprise Funds	Governmental Activities
	Aquatic Center	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 1,950,680	-
Cash received from internal charges	-	$ 5,422,210
Cash payments to employees for salaries and benefits	(821,600)	(124,392)
Cash payments for supplies and services	(913,973)	(1,413,070)
Cash payments for claims	-	(3,114,002)
Net cash provided (used) by operating activities	215,107	770,746
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in (out)	(90,000)	(108,111)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from bonds payable	7,673,517	-
Principal paid on note payable	(1,754,683)	-
Acquisition and construction of capital assets	(3,840,656)	-
Debt issuance costs	(203,487)	-
Interest paid	(124,327)	-
Net cash provided (used) by capital and related financing activities	1,750,364	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	19,534	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,895,005	662,635
CASH AND CASH EQUIVALENTS, JULY 1, 2016	194,820	2,059,969
CASH AND CASH EQUIVALENTS, JUNE 30, 2017	$ 2,089,825	$ 2,722,604
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	$ (307,508)	$ 288,321
Adjustments:		
Depreciation	445,393	-
(Increase) decrease in operating assets:		
Accounts receivable	2,889	266,342
Prepaid items	-	268
Increase (decrease) in operating liabilities:		
Accounts payable	1,855,487	17,931
Due to other funds	(66,286)	(127,350)
Claims payable	-	325,000
Accrued payroll	27,878	234
Compensated absences payable	(4,399)	-
(Increase) decrease in accounts payable related to construction in progress	(1,738,347)	-
Net cash provided (used) by operating activities	$ 215,107	$ 770,746
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction costs included in accounts payable	$ 1,738,347	-

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2017

ASSETS		
Cash	$	1,150,670
LIABILITIES		
Due to other entities and individuals	$	1,150,670

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 is the County's major enterprise fund:

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)

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 general fund and the Statesboro/Bulloch County Airport special revenue fund reported an allowance for uncollectibles of $28,373 and $4,250, respectively at June 30, 2017.

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, 2017, 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 included as part of the capitalized value of the assets constructed. The interest capitalized for the year ended June 30, 2017 in the amount of $94,697 was calculated by netting actual interest expense on the bonds issued of $114,231 with the actual investment earnings on the unspent bond proceeds of $19,534.

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, 2017. 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 has 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, 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, 2017 in the following departments for the general fund:

	General Fund
Emergency medical service	$ 296
Sheriff	16,487
Debt service - Principal	23,623

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	$ 2,391
Jail inmate phone fund	34,580
E-911 fund	807
Grants fund	1,701,109
Jail commissary fund	81,141
Sheriff's fingerprint fund	486
Sheriff's confiscated assets fund	33,776

NOTE 3 – DEPOSITS

At June 30, 2017, the carrying amount of the County's deposits (checking and certificates of deposit) was $32,129,932, and the bank balance was $33,163,182. Of the bank balance, $2,256,421 was covered by federal depository insurance and $30,906,761 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 $2,288,652 and the bank balance was $2,294,728 of which $250,000 was covered by federal depository insurance and $2,044,728 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 $1,669,853 and the bank balance was $1,675,299 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 60 days). For the year ended June 30, 2017, property taxes were levied on August 23, 2016, and were due December 1, 2016.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
Grant	General	$ 30,565

Interfund balances at June 30, 2017 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, 2017, consisted of the following:

	Transfers From:				
Transfers To:	General Fund	Non-major Governmental Funds	Aquatic Center	Employee Health Insurance	Total
General Fund	-	$ 48,340	$ 90,000	$ 127,350	$ 265,690
Grant Fund	$ 1,191,012				1,191,012
Correctional Food Service	19,239	-	-	-	19,239
Total	$ 1,210,251	$ 48,340	$ 90,000	$ 127,350	$ 1,475,941

Transfers from the general fund to the grants special revenue fund were to separate intergovernmental revenue received related to Hurricane Matthew damages to be used for future designated expenditures. Transfers from the general fund to the correctional food service internal service fund were to help fund operations for that 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, 2017 was as follows:

	Balance 7/1/2016 As restated	Additions	Deductions	Balance 6/30/2017
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 3,790,809	$ 123,049	-	$ 3,913,858
Construction in progress	854,397	3,280,635	$ 840,902	3,294,130
Total capital assets not being depreciated	4,645,206	3,403,684	840,902	7,207,988
Capital assets being depreciated:				
Buildings	47,361,931	244,938	-	47,606,869
Improvements other than buildings	6,375,927	753,844	-	7,129,771
Machinery and equipment	26,105,934	1,439,301	493,571	27,051,664
Infrastructure	130,603,583	1,500,400	-	132,103,983
Total capital assets being depreciated	210,447,375	3,938,483	493,571	213,892,287
Total capital assets	215,092,581	7,342,167	1,334,473	221,100,275
Accumulated depreciation:				
Buildings	18,165,280	1,309,284	-	19,474,564
Improvements other than buildings	2,724,777	271,214	-	2,995,991
Machinery and equipment	19,850,630	2,131,349	447,888	21,534,091
Infrastructure	111,000,431	2,077,282	-	113,077,713
Total accumulated depreciation	151,741,118	5,789,129	447,888	157,082,359
Governmental activities capital assets, net	$ 63,351,463	$ 1,553,038	$ 886,585	$ 64,017,916

Governmental activities depreciation expense:

General government	$ 392,865
Judicial	219,893
Public safety	1,548,576
Public works	2,556,253
Sanitation	281,576
Health and welfare	118,374
Recreation	425,014
Libraries	8,362
Airport	214,880
Housing and development	23,336
Total governmental activities depreciation expense	$ 5,789,129

NOTE 6 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2017 for the County's enterprise funds was as follows:

	Balance 07/01/16 As restated	Additions	Deductions	Balance 06/30/17
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 73,305	-	-	$ 73,305
Construction in progess	7,500	$ 5,681,199	$ 7,500	5,681,199
Total capital assets not being depreciated	80,805	5,681,199	7,500	5,754,504
Capital assets being depreciated:				
Buildings	4,213,244	-	-	4,213,244
Improvements other than buildings	5,332,928	-	-	5,332,928
Machinery and equipment	517,527	-	-	517,527
Total capital assets being depreciated	10,063,699	-	-	10,063,699
Total capital assets	10,144,504	5,681,199	7,500	15,818,203
Accumulated depreciation:				
Buildings	1,604,290	137,409	-	1,741,699
Machinery and equipment	461,045	24,394	-	485,439
Improvements other than buildings	2,406,474	283,589	-	2,690,063
Total accumulated depreciation	4,471,809	445,392	-	4,917,201
Business-type activities capital assets, net	$ 5,672,695	$ 5,235,807	$ 7,500	$ 10,901,002

NOTE 7 – CAPITAL LEASES

The County has entered into lease agreements as lessee for financing the acquisition and construction of various equipment costing $3,209,078. 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 $815,976 at June 30, 2017.

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, 2017:

Year ending June 30	
2018	$ 662,528
2019	561,775
2020	259,515
2021	259,515
Total minimum lease payments	1,743,333
Less amount representing interest	46,165
Present value of future minimum lease payments	$ 1,697,168

NOTE 8 – NOTES PAYABLE

Notes payable at June 30, 2017 consisted of the following:

	Governmental 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.	$ 11,348
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.	497,731
	$ 509,079

As of June 30, 2017, annual debt service requirements to maturity are as follows:

Year ending June 30	Governmental Activities		
	Principal	Interest	Total
2018	$ 36,251	$ 18,710	$ 54,961
2019	25,868	17,566	43,434
2020	26,871	16,563	43,434
2021	27,913	15,521	43,434
2022	28,995	14,439	43,434
2023-2027	162,739	54,434	217,173
2028-2032	196,831	19,324	216,155
2033	3,611	1,030	4,641
	$ 509,079	$ 157,587	$ 666,666

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.

NOTE 9 – BONDS PAYABLE (Continued)

The principal and interest on the bonds are payable from SPLOST funds. As of June 30, 2017, annual debt service requirements for the bonds are as follows:

Year ending June 30	Governmental Activities		
	Principal	Interest	Total
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	$ 6,290,000	$ 470,975	$ 6,760,975

In October, 2016, the County issued $7,360,000 in Association County Commissioners of Georgia Certificates of Participation, Series 2016, primarily to fund improvements and expansion of the County's Water Park and Family Aquatic Center.

The bonds have interest rates ranging from two to three percent. The bonds require annual principal payments beginning November 1, 2017 through November 1, 2030, and interest is payable semiannually on November 1 and May 1 each year.

The principal and interest on the bonds are payable from income derived from the Aquatic Center. As of June 30, 2017, annual debt service requirements for the bonds are as follows:

Year ending June 30	Business-type Activities		
	Principal	Interest	Total
2018	$ 430,000	$ 188,100	$ 618,100
2019	440,000	179,400	619,400
2020	450,000	170,500	620,500
2021	455,000	159,175	614,175
2022	440,000	145,750	585,750
2023-2027	2,410,000	528,600	2,938,600
2028-2032	2,735,000	206,725	2,941,725
Total	$ 7,360,000	$ 1,578,250	$ 8,938,250

NOTE 10 – CHANGES IN LONG-TERM DEBT

Governmental Activities	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amounts Due In One Year
Bonds payable	$ 8,240,000	-	$ 1,950,000	$ 6,290,000	$ 2,005,000
Unamortized premium	599,667	-	238,594	361,073	-
Total bonds payable	8,839,667	-	2,188,594	6,651,073	2,005,000
Capital leases payable	1,225,226	$ 1,261,500	789,558	1,697,168	640,283
Notes payable	650,168	-	141,089	509,079	36,251
Compensated absences payable	666,736	127,302	6,928	787,110	157,422
Total Governmental Activities	$ 11,381,797	$ 1,388,802	$ 3,126,169	$ 9,644,430	$ 2,838,956
Business-Type Activities					
Bonds payable	-	$ 7,360,000	-	$ 7,360,000	$ 430,000
Unamortized premium	-	313,517	$ 14,669	298,848	-
Total bonds payable	-	7,673,517	14,669	7,658,848	430,000
Notes payable	$ 1,754,683	-	1,754,683	-	-
Compensated absences payable	7,327	-	4,399	2,928	586
Total Business-Type Activities	$ 1,762,010	7,673,517	$ 1,773,751	$ 7,661,776	$ 430,586

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 and notes payable will be paid from the SPLOST 13 capital projects fund. The bonds payable will be paid from the SPLOST 13 capital projects fund for the governmental activities and from the Aquatic Center for the business-type activities.

NOTE 11 – FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2017, 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	$ 847,452	-	-	-	-	$ 47,483	$ 894,935
Inventories	-	-	-	-	-	30,349	30,349
Total nonspendable	847,452	-	-	-	-	77,832	925,284
Restricted:							
Capital projects	-	$ 2,355,554	$ 2,842,763	$ 48,698	$ 5,228,787	-	10,475,802
Sheriff	-	-	-	-	-	30,738	30,738
Correctional facility	-	-	-	-	-	14,547	14,547
Airport	-	-	-	-	-	318,098	318,098
Public safety projects	-	-	-	-	-	149,098	149,098
Drug education	-	-	-	-	-	183,265	183,265
Jail	-	-	-	-	-	46,108	46,108
Urban fire district	-	-	-	-	-	99,547	99,547
E-911 services	-	-	-	-	-	1,010,772	1,010,772
Roads	-	-	-	-	-	2,559,501	2,559,501
Greenspace project	19,888	-	-	-	-	-	19,888
Juvenile services	-	-	-	-	-	17,333	17,333
Recreation	50,459	-	-	-	-	-	50,459
Streetlight tax districts	-	-	-	-	-	31,761	31,761
Total restricted	70,347	2,355,554	2,842,763	48,698	5,228,787	4,460,768	15,006,917
Unassigned	8,708,763	-	-	-	-	(25,334)	8,683,429
Total fund balances	$ 9,626,562	$ 2,355,554	$ 2,842,763	$ 48,698	$ 5,228,787	$ 4,513,266	$ 24,615,630

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, 2017, the County contributed $973,895 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, 2017 were $161,703. Contributions are fully vested to employees after 10 years of continuous service.

At June 30, 2017, the Board of Health reported $1,330,809 as a liability for its proportionate share of the net pension liabilities. For the year ended June 30, 2017, the Board of Health recognized pension expense of $126,523.

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 $750,000 reported at June 30, 2017 represents known claims incurred on or prior to June 30, 2017 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
2015	$ 429,646	$ 3,514,532	$ 3,429,178	$ 515,000
2016	515,000	3,522,015	3,612,015	425,000
2017	425,000	3,705,344	3,380,344	750,000

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, 2017, 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, 2017 follows:

		Percentage of tax receipts
Lodging tax receipts	$ 12,047	
Disbursements to the:		
Statesboro Convention and Visitors Bureau for promotion of tourism	(9,156)	76.0%
Statesboro Arts Council for performing arts center	(2,289)	19.0%
County for administrative costs	(602)	5.0%
Total	$ -	

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

NOTE 18 – TAX ABATEMENTS

The Development Authority of Bulloch County (the "Authority") can enter into agreements for industrial projects to encourage the creation of jobs and new capital investment through an "Investment Assistance Program." Georgia case law and statutory provisions, including the Development Authorities Law (Title 36 Chapter 62 of the Georgia Code Annotated), provide the Authority with the power to enter into such agreements with companies.

In general, failure to create jobs and/or investments as set forth in the agreements would result in a reduction (or claw back) of any tax abatements. The Authority monitors compliance with performance and accountability agreements to ensure the companies meet their commitments.

For the fiscal year ended June 30, 2017, the property tax abated by Bulloch County due to incentive agreements was $241,995.

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events were evaluated through February 6, 2018, which is the date the financial statements were available to be issued.

BULLOCH COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	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	Hotel/ Motel Tax Fund	Urban Fire District Fund
ASSETS									
Cash	$ 318,625	$ 14,547	$ 135,256	$ 195,077	$ 26,228	$ 957,919	$ 2,643,872	$ 5,395	$ 129,165
Receivables:									
Intergovernmental	-	-	-	-	-	64,088	-	-	-
Accounts	11,048	-	13,842	-	9,399	163,967	-	-	-
Taxes	-	-	-	-	-	-	-	718	-
Due from other funds	-	-	-	-	-	-	30,565	-	-
Prepaid items	8,149	-	-	-	-	8,647	-	305	-
Inventories	30,349	-	-	-	-	-	-	-	-
TOTAL ASSETS	$ 368,171	$ 14,547	$ 149,098	$ 195,077	$ 35,627	$ 1,194,621	$ 2,674,437	$ 6,418	$ 129,165
LIABILITIES									
Accounts payable	8,094	-	-	$ 11,812	-	$ 157,658	-	6,418	$ 29,618
Accrued payroll	3,481	-	-	-	-	17,544	-	-	-
Unearned revenue		-	-	-	-	-	$ 114,936	-	-
Total liabilities	11,575	-	-	11,812	-	175,202	114,936	6,418	29,618
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - Property taxes	-	-	-	-	-	-	-	-	-
FUND BALANCE									
Nonspendable	38,498	-	-	-	-	8,647	-	305	-
Restricted	318,098	$ 14,547	$ 149,098	183,265	$ 35,627	1,010,772	2,559,501	-	99,547
Unassigned	-	-	-	-	-	-	-	(305)	-
Total fund balance	356,596	14,547	149,098	183,265	35,627	1,019,419	2,559,501	-	99,547
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 368,171	$ 14,547	$ 149,098	$ 195,077	$ 35,627	$ 1,194,621	$ 2,674,437	$ 6,418	$ 129,165

BULLOCH COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Jail Add-On Fee Fund	Jail Commissary Fund	Juvenile Services Fund	Rural Fire Fund	Sheriff's Confiscated Assets Fund	Sheriff's Fingerprint Fund	Streetlight Tax Districts Fund	Total Nonmajor Special Revenue Funds
ASSETS								
Cash	$ -	$ 16,048	$ 17,333	$ 731	$ 57,820	$ 20,349	$ 36,974	$ 4,575,339
Receivables:								
Intergovernmental	-	-	-	-	-	-	-	64,088
Accounts	-	-	-	855	-	-	-	199,111
Taxes	-	-	-	20,966	-	-	-	21,684
Due from other funds	-	-	-	-	-	-	-	30,565
Prepaid items	-	-	-	30,382	-	-	-	47,483
Inventories	-	-	-	-	-	-	-	30,349
TOTAL ASSETS	$ -	$ 16,048	$ 17,333	$ 52,934	$ 57,820	$ 20,349	$ 36,974	$ 4,968,619
LIABILITIES								
Accounts payable	$ -	$ 5,567	-	$ 30,120	$ 47,431	-	$ 5,213	$ 301,931
Accrued payroll	-	-	-	1,469	-	-	-	22,494
Unearned revenue	-	-	-	-	-	-	-	114,936
Total liabilities	-	5,567	-	31,589	47,431	-	5,213	439,361
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - Property taxes	-	-	-	15,992	-	-	-	15,992
FUND BALANCE								
Nonspendable	-	-	-	30,382	-	-	-	77,832
Restricted	-	10,481	$ 17,333	-	10,389	$ 20,349	31,761	4,460,768
Unassigned	-	-	-	(25,029)	-	-	-	(25,334)
Total fund balance	-	10,481	17,333	5,353	10,389	20,349	31,761	4,513,266
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ -	$ 16,048	$ 17,333	$ 52,934	$ 57,820	$ 20,349	$ 36,974	$ 4,968,619

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	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	Hotel/ Motel Tax Fund	Urban Fire District Fund
REVENUES									
Taxes	-	-	-	-	-	-	-	$ 12,047	$ 921,346
Charges for services	$ 583,619	$ 2,391	-	-	$ 39,203	$ 1,386,865	-	-	-
Fees, fines and forfeitures	-	-	-	$ 149,389	-	-	-	-	-
Intergovernmental	2,412	-	-	-	-	-	$ 1,982,864	-	-
Interest	-	2	-	-	-	-	-	-	-
Other	-	43,869	$ 89,256	-	5,028	-	500	-	-
Total revenues	586,031	46,262	89,256	149,389	44,231	1,386,865	1,983,364	12,047	921,346
EXPENDITURES									
Current:									
Airport	579,302	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	2,500	-	-
Public safety	-	36,206	25,188	95,952	28,952	1,323,879	500	-	922,551
Public works	-	-	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-	12,047	-
Capital outlay:									
Public safety	-	15,618	21,636	56,891	26,314	286,684	-	-	-
Public works	-	-	-	-	-	-	1,178,919	-	-
Housing and development	-	-	-	-	-	-	519,190	-	-
Debt service:									
Principal	-	-	-	-	3,636	169,719	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total expenditures	579,302	51,824	46,824	152,843	58,902	1,780,282	1,701,109	12,047	922,551
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,729	(5,562)	42,432	(3,454)	(14,671)	(393,417)	282,255	-	(1,205)
OTHER FINANCING SOURCES (USES)									
Proceeds from capital lease	-	-	-	-	-	825,000	-	-	-
Transfers in	-	-	-	-	-	-	1,191,012	-	-
Transfers out	(2,000)	-	(5,500)	(2,000)	-	(30,000)	-	-	-
Total other financing sources (uses)	(2,000)	-	(5,500)	(2,000)	-	795,000	1,191,012	-	-
NET CHANGE IN FUND BALANCES	4,729	(5,562)	36,932	(5,454)	(14,671)	401,583	1,473,267	-	(1,205)
FUND BALANCES, BEGINNING OF YEAR	351,867	20,109	112,166	188,719	50,298	617,836	1,086,234	-	100,752
FUND BALANCES, END OF YEAR	$ 356,596	$ 14,547	$ 149,098	$ 183,265	$ 35,627	$ 1,019,419	$ 2,559,501	$ -	$ 99,547

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Jail Add-On Fee Fund	Jail Commissary Fund	Juvenile Services Fund	Rural Fire Fund	Sheriff's Confiscated Assets Fund	Sheriff's Fingerprint Fund	Streetlight Tax Districts Fund	Total Nonmajor Special Revenue Funds
REVENUES								
Taxes	-	-	-	$ 607,301	-	-	$ 76,052	$ 1,616,746
Charges for services	-	$ 160,144	-	-	-	$ 2,850	-	2,175,072
Fees, fines and forfeitures	$ 99,286	-	$ 1,700	-	$ 55,077	-	-	305,452
Intergovernmental	-	-	-	-	-	-	-	1,985,276
Interest	-	-	-	-	35	-	-	37
Other	-	-	-	775	-	-	-	139,428
Total revenues	99,286	160,144	1,700	608,076	55,112	2,850	76,052	6,222,011
EXPENDITURES								
Current:								
Airport	-	-	-	-	-	-	-	579,302
General government	-	-	-	-	-	-	-	2,500
Public safety	99,286	73,477	-	445,887	38,140	486	-	3,090,504
Public works	-	-	-	-	-	-	73,798	73,798
Housing and development	-	-	-	-	-	-	-	12,047
Capital outlay:								
Public safety	-	141,891	-	31,753	31,631	-	-	612,418
Public works	-	-	-	-	-	-	-	1,178,919
Housing and development	-	-	-	-	-	-	-	519,190
Debt service:								
Principal	-	-	-	-	-	-	-	173,355
Interest	-	-	-	-	-	-	-	-
Total expenditures	99,286	215,368	-	477,640	69,771	486	73,798	6,242,033
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(55,224)	1,700	130,436	(14,659)	2,364	2,254	(20,022)
OTHER FINANCING SOURCES (USES)								
Proceeds from capital lease	-	-	-	-	-	-	-	825,000
Transfers in	-	-	-	-	-	-	-	1,191,012
Transfers out	-	-	(200)	(8,640)	-	-	-	(48,340)
Total other financing sources (uses)	-	-	(200)	(8,640)	-	-	-	1,967,672
NET CHANGE IN FUND BALANCES	-	(55,224)	1,500	121,796	(14,659)	2,364	2,254	1,947,650
FUND BALANCES, BEGINNING OF YEAR	-	65,705	15,833	(116,443)	25,048	17,985	29,507	2,565,616
FUND BALANCES, END OF YEAR	$ -	$ 10,481	$ 17,333	$ 5,353	$ 10,389	$ 20,349	$ 31,761	$ 4,513,266

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, 2017

	Original and Final Budget	Actual	Varianee Positive (Negative)
REVENUES			
Charges for services	$ 594,875	$ 583,619	$ (11,256)
Intergovernmental	2,412	2,412	-
Total revenues	597,287	586,031	(11,256)
EXPENDITURES			
Current:			
Airport	626,103	579,302	46,801
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(28,816)	6,729	35,545
OTHER FINANCING USES			
Transfers out	(2,000)	(2,000)	-
NET CHANGE IN FUND BALANCES	(30,816)	4,729	35,545
FUND BALANCES, BEGINNING OF YEAR	351,867	351,867	-
FUND BALANCES, END OF YEAR	$ 321,051	$ 356,596	$ 35,545

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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	-	-	$ 2,391	$ 2,391
Vending commissions/other	-	$ 49,433	43,869	(5,564)
Interest	-	-	2	2
	-	49,433	46,262	(3,171)
EXPENDITURES				
Current:				
Public safety	-	33,815	36,206	(2,391)
Capital outlay:				
Public safety	-	15,618	15,618	-
	-	49,433	51,824	(2,391)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	(5,562)	(5,562)
FUND BALANCES, BEGINNING OF YEAR	$ 20,109	20,109	20,109	-
FUND BALANCES, END OF YEAR	$ 20,109	$ 20,109	$ 14,547	$ (5,562)

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, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Telephone commissions	$ 50,000	$ 89,256	$ 39,256
EXPENDITURES			
Current:			
Public safety	13,050	25,188	(12,138)
Capital outlay:			
Public safety	109,369	21,636	87,733
Total expenditures	122,419	46,824	75,595
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(72,419)	42,432	114,851
OTHER FINANCING USES			
Transfers out	(5,500)	(5,500)	-
NET CHANGE IN FUND BALANCES	(77,919)	36,932	114,851
FUND BALANCES, BEGINNING OF YEAR	112,166	112,166	-
FUND BALANCES, END OF YEAR	$ 34,247	$ 149,098	$ 114,851

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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fees, fines and forfeitures	$ 130,000	$ 130,000	$ 149,389	$ 19,389
EXPENDITURES				
Current:				
Public safety	77,500	77,500	95,952	(18,452)
Capital outlay:				
Public safety	35,000	75,343	56,891	18,452
Total expenditures	112,500	152,843	152,843	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	17,500	(22,843)	(3,454)	19,389
OTHER FINANCING USES				
Transfers out	(2,000)	(2,000)	(2,000)	-
NET CHANGE IN FUND BALANCES	15,500	(24,843)	(5,454)	19,389
FUND BALANCES, BEGINNING OF YEAR	188,719	188,719	188,719	-
FUND BALANCES, END OF YEAR	$ 204,219	$ 163,876	$ 183,265	$ 19,389

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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Telephone commissions	-	$ 24,322	$ 39,203	$ 14,881
Other	-	-	5,028	5,028
	-	24,322	44,231	19,909
EXPENDITURES				
Current:				
Public safety	-	24,322	28,952	(4,630)
Capital outlay:				
Public safety	-	-	26,314	(26,314)
Debt service:				
Principal	-	-	3,636	(3,636)
Total expenditures	-	24,322	58,902	(34,580)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(14,671)	(14,671)
FUND BALANCES, BEGINNING OF YEAR	$ 50,298	50,298	50,298	-
FUND BALANCES, END OF YEAR	$ 50,298	$ 50,298	$ 35,627	$ (14,671)

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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 1,372,890	$ 1,372,890	$ 1,386,865	$ 13,975
EXPENDITURES				
Current:				
Public safety	1,388,235	1,388,235	1,323,879	64,356
Capital outlay:				
Public safety	66,300	391,240	286,684	104,556
Debt Service:				
Principal	-	-	169,719	(169,719)
Total expenditures	1,454,535	1,779,475	1,780,282	(807)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(81,645)	(406,585)	(393,417)	13,168
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	-	825,000	825,000	-
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing sources (uses)	(30,000)	795,000	795,000	-
NET CHANGE IN FUND BALANCES	(111,645)	388,415	401,583	13,168
FUND BALANCES, BEGINNING OF YEAR	617,836	617,836	617,836	-
FUND BALANCES, END OF YEAR	$ 506,191	$ 1,006,251	$ 1,019,419	$ 13,168

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, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	-	$ 1,982,864	$ 1,982,864
Other	-	500	500
Total revenues	-	1,983,364	1,983,364
EXPENDITURES			
Current:			
General government	-	2,500	(2,500)
Public safety	-	500	(500)
Capital:			
Economic development	-	519,190	(519,190)
Public works	-	1,178,919	(1,178,919)
Total expenditures	-	1,701,109	(1,701,109)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	282,255	282,255
OTHER FINANCING USES			
Transfers in	-	1,191,012	1,191,012
NET CHANGE IN FUND BALANCES	-	1,473,267	1,473,267
FUND BALANCES, BEGINNING OF YEAR	$ 1,086,234	1,086,234	-
FUND BALANCES, END OF YEAR	$ 1,086,234	$ 2,559,501	$ 1,473,267

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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 11,500	$ 12,047	$ 12,047	$ -
EXPENDITURES				
Current:				
Housing and development - Tourism	11,500	12,047	12,047	-
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, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	$ 880,000	$ 921,346	$ 41,346
EXPENDITURES			
Current:			
Public safety	880,000	922,551	(42,551)
Capital outlay:			
Public safety	143,666	-	143,666
Total expenditures	1,023,666	922,551	101,115
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(143,666)	(1,205)	142,461
FUND BALANCES, BEGINNING OF YEAR	100,752	100,752	-
FUND BALANCES, END OF YEAR	$ (42,914)	$ 99,547	$ 142,461

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, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	$ 100,600	$ 99,286	$ (1,314)
EXPENDITURES			
Current:			
Public safety - Jail	100,600	99,286	1,314
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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	-	$ 134,227	$ 160,144	$ 25,917
EXPENDITURES				
Current:				
Public safety	-	134,227	73,477	60,750
Capital outlay:				
Public safety	-	-	141,891	(141,891)
Total expenditures	-	134,227	215,368	(81,141)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(55,224)	(55,224)
FUND BALANCES, BEGINNING OF YEAR	$ 65,705	65,705	65,705	-
FUND BALANCES, END OF YEAR	$ 65,705	$ 65,705	$ 10,481	$ (55,224)

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, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	$ 1,500	$ 1,700	$ 200
EXPENDITURES			
Current:			
Judicial	1,300	-	1,300
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	200	1,700	1,500
OTHER FINANCING USES			
Transfers out	(200)	(200)	-
NET CHANGE IN FUND BALANCES	-	1,500	1,500
FUND BALANCES, BEGINNING OF YEAR	15,833	15,833	-
FUND BALANCES, END OF YEAR	$ 15,833	$ 17,333	$ 1,500

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, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	$ 610,000	$ 607,301	$ (2,699)
Other	7,750	775	(6,975)
Total revenues	617,750	608,076	(9,674)
EXPENDITURES			
Current:			
Public safety	446,625	445,887	738
Capital outlay:			
Public safety	32,500	31,753	747
	479,125	477,640	1,485
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	138,625	130,436	(8,189)
OTHER FINANCING USES			
Transfers out	(8,640)	(8,640)	-
NET CHANGE IN FUND BALANCES	129,985	121,796	(8,189)
FUND BALANCES, BEGINNING OF YEAR	(116,443)	(116,443)	-
FUND BALANCES, END OF YEAR	$ 13,542	$ 5,353	$ (8,189)

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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fees, fines and forfeitures	-	$ 35,995	$ 55,077	$ 19,082
Interest	-	-	35	35
Total revenues	-	35,995	55,112	19,117
EXPENDITURES				
Current:				
Public safety	-	35,995	38,140	(2,145)
Capital outlay:				
Public safety	-	-	31,631	(31,631)
Total expenditures	-	35,995	69,771	(33,776)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(14,659)	(14,659)
FUND BALANCES, BEGINNING OF YEAR	$ 25,048	25,048	25,048	-
FUND BALANCES, END OF YEAR	$ 25,048	$ 25,048	$ 10,389	$ (14,659)

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, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	-	$ 2,850	$ 2,850
EXPENDITURES			
Current:			
Public safety	-	486	(486)
EXCESS OF REVENUES OVER EXPENDITURES	-	2,364	2,364
FUND BALANCES, BEGINNING OF YEAR	$ 17,985	17,985	-
FUND BALANCES, END OF YEAR	$ 17,985	$ 20,349	$ 2,364

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, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	$ 69,975	$ 76,052	$ 6,077
EXPENDITURES			
Current:			
Public works - Street lighting	74,650	73,798	852
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,675)	2,254	6,929
FUND BALANCES, BEGINNING OF YEAR	29,507	29,507	-
FUND BALANCES, END OF YEAR	$ 24,832	$ 31,761	$ 6,929

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017

	Employee Health Insurance Fund	Correctional Food Service Fund	Total
ASSETS			
Cash	$ 2,666,413	$ 56,191	$ 2,722,604
Accounts receivable	93,283	-	93,283
Prepaid expense	10,066	-	10,066
Total Assets	2,769,762	56,191	2,825,953
LIABILITIES			
Accounts payable	14,615	52,850	67,465
Claims payable	750,000	-	750,000
Accrued payroll	-	3,341	3,341
Total Liabilities	764,615	56,191	820,806
NET POSITION			
Unrestricted	$ 2,005,147	$ -	$ 2,005,147

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR YEAR ENDED JUNE 30, 2017

	Employee Health Insurance Fund	Correctional Food Service Fund	Total
OPERATING REVENUES			
Charges for services	-	$ 868,387	$ 868,387
Premiums	$ 4,553,823	-	4,553,823
Total Operating Revenues	4,553,823	868,387	5,422,210
OPERATING EXPENSES			
Salaries and benefits	-	124,626	124,626
Materials and supplies	-	750,857	750,857
Purchased/contracted services	540,919	12,143	553,062
Claims	3,705,344	-	3,705,344
Total Operating Expenses	4,246,263	887,626	5,133,889
OPERATING INCOME (LOSS)	307,560	(19,239)	288,321
TRANSFERS IN (OUT)	(127,350)	19,239	(108,111)
CHANGE IN NET POSITION	180,210	-	180,210
NET POSITION, BEGINNING OF YEAR	1,824,937	-	1,824,937
NET POSITION, END OF YEAR	$ 2,005,147	$ -	$ 2,005,147

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Employee Health Insurance Fund	Correctional Food Service Fund	Total
Cash Flows from Operating Activities			
Cash received from internal charges	$ 4,553,823	$ 868,387	$ 5,422,210
Cash payments to employees for salaries and benefits	-	(124,392)	(124,392)
Cash payments for supplies and services	(668,614)	(744,456)	(1,413,070)
Cash payments for claims	(3,114,002)	-	(3,114,002)
Net Cash Provided (Used) by Operating Activities	771,207	(461)	770,746
Cash Flows from Noncapital Financing Activities			
Transfers in (out)	(127,350)	19,239	(108,111)
Net Increase in Cash and Cash Equivalents	643,857	18,778	662,635
Cash and Cash Equivalents, July 1, 2016	2,022,556	37,413	2,059,969
Cash and Cash Equivalents, June 30, 2017	$ 2,666,413	$ 56,191	$ 2,722,604
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities			
Operating Income (Loss)	$ 307,560	$ (19,239)	$ 288,321
Adjustments:			
(Increase) decrease in operating assets:			
Accounts receivable	266,342	-	266,342
Prepaid expense	268	-	268
Increase (decrease) in operating liabilities:			
Accounts payable	(613)	18,544	17,931
Due to other funds	(127,350)	-	(127,350)
Claims payable	325,000	-	325,000
Accrued payroll	-	234	234
Net Cash Provided (Used) By Operating Activities	$ 771,207	$ (461)	$ 770,746

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2017

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Emergency Medical Service	Bulloch County Correctional Institute	Probation	Total
ASSETS									
Cash	$ 131,377	$ 9,349	$ 541,491	$ 56,949	$ 296,246	$ -	$ 11,920	$ 103,338	$ 1,150,670
LIABILITIES									
Due to other entities and individuals	$ 131,377	$ 9,349	$ 541,491	$ 56,949	$ 296,246	$ -	$ 11,920	$ 103,338	$ 1,150,670

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Tax Commissioner				
Assets				
Cash	$ 91,397	$ 54,197,800	$ 54,157,820	$ 131,377
Liabilities				
Due to other entities and individuals	$ 91,397	$ 54,197,800	$ 54,157,820	$ 91,397
Probate Court				
Assets				
Cash	$ 15,661	$ 265,998	$ 272,310	$ 9,349
Liabilities				
Due to other entities and individuals	$ 15,661	$ 265,998	$ 272,310	$ 9,349
Clerk of Courts				
Assets				
Cash	$ 196,851	$ 3,952,941	$ 3,608,301	$ 541,491
Liabilities				
Due to other entities and individuals	$ 196,851	$ 3,952,941	$ 3,608,301	$ 541,491
Magistrate Court				
Assets				
Cash	$ 46,904	$ 1,041,544	$ 1,031,499	$ 56,949
Liabilities				
Due to other entities and individuals	$ 46,904	$ 1,041,544	$ 1,031,499	$ 46,904
Sheriff				
Assets				
Cash	$ 322,146	$ 1,803,654	$ 1,829,554	$ 296,246
Liabilities				
Due to other entities and individuals	$ 322,146	$ 1,803,654	$ 1,829,554	$ 296,246
Emergency Medical Service				
Assets				
Cash	$ -	$ 1,685,078	$ 1,685,078	$ -
Liabilities				
Due to other entities and individuals	$ -	$ 1,685,078	$ 1,685,078	$ -
Bulloch County Correctional Institute				
Assets				
Cash	$ 21,015	$ 149,083	$ 158,178	$ 11,920
Liabilities				
Due to other entities and individuals	$ 21,015	$ 158,178	$ 158,178	$ 11,920
Probation				
Assets				
Cash	$ 87,095	$ 1,048,074	$ 1,031,831	$ 103,338
Liabilities				
Due to other entities and individuals	$ 87,095	$ 1,048,074	$ 1,031,831	$ 103,338
Total Agency Funds				
Assets				
Cash	$ 781,069	$ 64,144,172	$ 63,774,571	$ 1,150,670
Liabilities				
Due to other entities and individuals	$ 781,069	$ 64,144,172	$ 63,774,571	$ 1,150,670

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2017

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	731,569	$ 1,342,830	2,074,399	47%
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 safely 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	$ 44,552,325	$ 1,342,830	$ 45,895,155	89%

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2017

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	4,735,031	-	4,735,031	100%
Public safety facilities and equipment	3,655,000	3,923,292	3,923,292	-	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	$ 80,192	506,923	100%
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	$ 61,596,560	$ 80,192	$ 61,676,752	100.0%

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2017

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	$ 2,388,475	$ 1,792,757	$ 4,181,232	28%
Solid waste - Air rights - Joint	10,775,000	10,775,000	4,788,888	1,795,833	6,584,721	61%
Elections equipment	150,000	150,000	18,227	11,220	29,447	20%
Solid waste facilities and equipment	3,100,000	3,100,000	352,028	282,869	634,897	20%
Public safety facilities and equipment	5,900,000	5,900,000	888,061	602,520	1,490,581	25%
Capital improvments to existing facilities	1,995,155	1,995,155	826,313	332,649	1,158,962	58%
Airport facilities and equipment	780,000	780,000	18,358	48,213	66,571	9%
Greenspace preservation	150,000	150,000	-	-	-	0%
Recreational facilities and equipment	4,600,000	4,600,000	222,375	272,198	494,573	11%
Economic development - Industrial park	9,000,000	9,000,000	1,930,455	2,128,850	4,059,305	45%
City of Statesboro	28,915,844	28,915,844	8,509,703	3,595,190	12,104,893	42%
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	$ 21,745,824	$ 10,862,299	$ 32,608,123	40%

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	$ 10,944,363
Less:	
Intergovernmental revenue	(92,064)
Total current year expenditures per above	$ 10,852,299

LANIER, DEAL & PROCTOR

CERTIFIED PUBLIC ACCOUNTANTS
201 SOUTH ZETTEROWER AVENUE
P.O. BOX 505
STATESBORO, GEORGIA 30459
PHONE (912) 489-8756
FAX (912) 489-1243

WILLIAM RUSSELL LANIER, CPA
RICHARD N. DEAL, CPA, CGMA
KAY S. PROCTOR, CPA, CFE, CGMA
WILLIAM BLAKE BLOSER, CPA
TIFFANY D. JENKINS, CPA, CGMA
RICHARD N. DEAL II, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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, 2017, which collectively comprise Bulloch County's basic financial statements and have issued our report thereon dated, February 6, 2018. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.*

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, Dal & Proctor

Statesboro, Georgia
February 6, 2018

BULLOCH COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

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	AP017-9031-34(031)	$ 57,482
Airport Improvement Program	20.106	AP016-9029-33(031)	32,762
Total U.S. Department of Transportation			90,244
U.S. Department of Justice:			
Pass-through program from Georgia Criminal Justice Coordinating Council:			
Criminal and Juvenile Justice and Mental Health Collaboration Program - Mental Health Court	16.745	J17-8-054	111,793
U.S. Department of Housing and Urban Development:			
Pass-through program from Georgia Department of Community Affairs:			
Community Development Block Grant/State's program	14.228	16q-y-016-1-5902	500,000
U.S. Department of Homeland Security:			
Pass-through programs from Georgia Emergency Management Agency:			
Disaster Grants - Public Assistance	97.036	PAS284089-PW#00370(0)	47,752
Disaster Grants - Public Assistance	97.036	PAS284089-PW#00341(0)	348,945
Disaster Grants - Public Assistance	97.036	PAS284089-PW#00307(0)	42,320
Disaster Grants - Public Assistance	97.036	PAS284089-PW#00331(0)	289,239
Disaster Grants - Public Assistance	97.036	PAS284089-PW#00377(0)	211,490
Disaster Grants - Public Assistance	97.036	PAS297042-PW#00091	110,454
			1,050,200
Emergency Management Performance Grant	97.042	OEM16-016	21,065
Total U.S. Department of Homeland Security			1,071,265
Total expenditures of federal awards			$ 1,773,302

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, 2017. 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.

LANIER, DEAL & PROCTOR

CERTIFIED PUBLIC ACCOUNTANTS
201 SOUTH ZETTEROWER AVENUE
P.O. BOX 505
STATESBORO, GEORGIA 30459
PHONE (912) 489-8756
FAX (912) 489-1243

WILLIAM RUSSELL LANIER, CPA
RICHARD N. DEAL, CPA, CGMA
KAY S. PROCTOR, CPA, CFE, CGMA
WILLIAM BLAKE BLOSER, CPA
TIFFANY D. JENKINS, CPA, CGMA
RICHARD N. DEAL II, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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, 2017. 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, 2017.

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, Oal & Proctor

Statesboro, Georgia
February 6, 2018

SUMMARY OF AUDITOR'S RESULTS

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

2. No 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*.

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: Disaster Grants – Public Assistance, CFDA number 97.036.

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

None reported.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported.