Bulloch County, Georgia

Annual Financial Report

For the Year Ended June 30, 2018

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LANIER, DEAL & PROCTOR

CERTIFIED PUBLIC ACCOUNTANTS

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

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

MEMBERS
AMERICAN INSITUTE 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, 2018, 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 1.8%, 1.1%, and 3.4%, 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 15.1%, 18.3%, and 1.5%, 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 1.8%, 1.1%, and 3.4%, 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 15.1%, 18.3%, and 1.5%, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17 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 combining and individual nonmajor fund financial statements and schedules and schedule of projects paid with SPLOST proceeds 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 and schedule of projects paid with SPLOST proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 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.

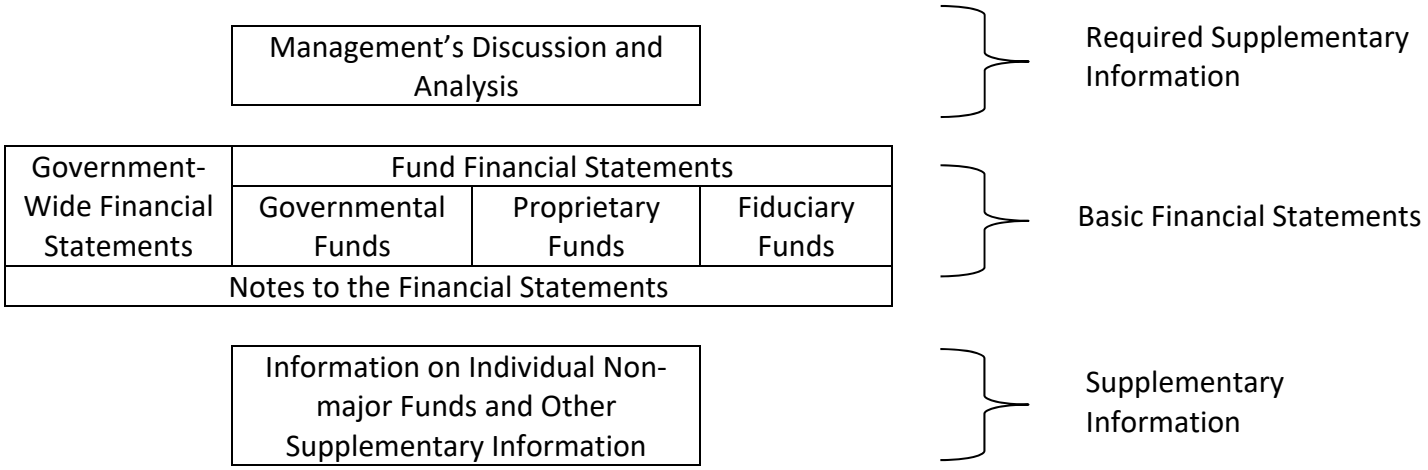
Lanier, Deal + Proctor

Statesboro, Georgia
December 27, 2018

Management's Discussion and Analysis

The management of Bulloch County, Georgia (the "County") is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2018. This discussion is intended to provide summary information that will aid readers in understanding the County's overall financial position, understanding whether results of current year operations has caused the County's position to improve or deteriorate, and provide reasons for significant changes in net position as well as individual fund balances. Additionally, management will discuss significant variances between the original and final budget amounts for the general fund, the County's main operating fund, and finally, will discuss any currently known facts, decisions or conditions that are expected to have a significant effect on the County's overall financial health, availability of fund resources for future use and the County's ability to provide future services. The County's discussion and analysis should be reviewed in conjunction with the accompanying financial statements and disclosures following this section.

Overview of the Financial Statements



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. This report also contains other supplemental information.

Government-wide Financial Statements: The Statement of Net Position and the Statement of Activities

The government-wide financial statements are designed to provide the reader with a broad overview of the County's governmental and business-type activities as well as its discretely presented component units' in a manner similar to private-sector companies where the emphasis is placed on the bottom line and how it has changed. One of the most important questions asked is, "Is Bulloch County as a whole better or worse as a result of the year's activities?" These statements report information in a way that helps answer this question, and over time, increases or decreases in Bulloch County's net position are one indicator of whether its financial health is improving or deteriorating, though other nonfinancial factors, such as changes in the property tax base, investment in infrastructure and condition of assets, should also be considered when assessing the County's overall health.

The Statement of Net Position presents information on all assets and liabilities as well as deferred inflows and outflows of resources and the difference between them reported as the County's net position. The Statement of Activities includes all of the current year's revenues and expenses reported by function, providing a net cost of all functions provided by the County, and reports how the County's net position changed as a result of current year activities. Both statements are prepared using the accrual basis of accounting and economic resources measurement focus. This means all transactions and changes in net position are recorded when the event occurs, regardless of when cash is received or paid. Therefore, some revenues and expenses are reported for items that will not result in cash flows until future fiscal periods. For example, uncollected taxes and vacation leave that was earned but not taken, are reported.

Both statements present information on the County's governmental and business-type activities. The governmental activities distinguish functions of the County that are principally supported by taxes and intergovernmental revenue and include most of the County's basic services such as general government, public safety, public works, sanitation, community and economic development, and community services. The business-type activities include enterprise and internal service funds, and are supported by the revenues they generate, such as charges or user fees, from the customers to whom services are provided.

The government-wide financial statements are presented on pages 18 and 19 of this report.

Fund Financial Statements: Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance

The fund financial statements focus on the individually significant activities or services of the County's government, providing a more detailed report than the government-wide statements. These statements tell how services were financed in the short term as well as what remains in the fund for future spending. 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 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 three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at year-end that will be available for spending in the next year. This approach is known as the current financial resources measurement focus and the *modified accrual basis of accounting*. As a result, the governmental fund financial statements give the reader a detailed short-term view that may be useful in evaluating whether there are more or less financial resources available to meet the County's near-term obligations.

The County maintains three governmental fund types: The General Fund, Special Revenue Funds and Capital Projects Funds. Information for major funds is reported separately in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances. All other governmental funds are combined into a single, aggregated column. The relationship between government-wide 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.

The basic governmental fund financial statements are presented on pages 20 - 26 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. Financial Statements for proprietary funds include the Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position, both of which are prepared on the same measurement focus and basis of accounting as the government-wide statements. One of the County's proprietary funds, the Aquatic Center Fund, is classified as an enterprise fund. This enterprise fund essentially encompasses 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 27 - 29 of this report.

Fiduciary Funds: Fiduciary Funds are used to account for resources held by the County as an agent on behalf of others, such as individuals, private organizations, other governments or county departments, and are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The County holds funds 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, and is responsible for ensuring assets of the funds are used only for their intended purposes by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because the resources are not available to support the County's operations or programs.

The basic fiduciary fund financial statement is presented on page 30 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 31 of this report.

Supplementary Information

In addition to the basic financial statements and accompanying note disclosures, this report also presents supplementary information 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, as well as information concerning the County's budget presentations. The budgetary comparison statements for the general and grants funds are included as basic financial statements while the budgetary comparison schedules for non-major funds are found in this later section of the report.

Combining and individual statements and schedules for non-major funds are presented in this section of this report beginning on page 55.

Financial Analysis of the County as a Whole

Summary of Net Position

As noted earlier, net position is an indicator of whether the County's financial health is improving or deteriorating over time. At the end of fiscal year 2018, the County had total net position (assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources) of $88,242,615 compared to the fiscal year 2017 figure of $84,568,435. This represents an increase of $3,674,180 or 4.34% from the previous fiscal year.

The following table provides a summary of the County's governmental and business-type net position for fiscal years 2018 and 2017:

Bulloch County's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Assets						
Current Assets	31,475,566	33,022,621	(328,974)	2,090,368	31,146,592	35,112,989
Capital Assets	67,512,276	64,017,916	10,771,163	10,901,002	78,283,439	74,918,918
Total Assets	**98,987,842**	**97,040,537**	**10,442,189**	**12,991,370**	**109,430,031**	**110,031,907**
Liabilities						
Current Liabilities	8,956,381	8,883,671	849,410	2,543,137	9,805,791	11,426,808
Long-Term Liabilities	4,617,713	6,805,474	6,763,912	7,231,190	11,381,625	14,036,664
Total Liabilities	**13,574,094**	**15,689,145**	**7,613,322**	**9,774,327**	**21,187,416**	**25,463,472**
Net Position						
Net Investment in Capital Assets	63,610,922	57,516,150	3,571,505	3,242,154	67,182,427	60,758,304
Restricted – Capital Projects	7,801,187	8,120,248	-	-	7,801,187	8,120,248
Restricted – Other Purposes	4,740,552	4,583,613	-	-	4,740,552	4,583,613
Unrestricted	9,261,087	11,131,381	(742,638)	(25,111)	8,518,449	11,106,270
Total Net Position	**85,413,748**	**81,351,392**	**2,828,867**	**3,217,043**	**88,242,615**	**84,568,435**

The largest portion (76.13%) of the County's net position as of fiscal year 2018 reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads and bridges) less any related debt to acquire those assets that is still outstanding. The County uses these assets to provide services to citizens, and therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the assets themselves cannot be used to liquidate the associated liabilities. Net investment in capital assets increased by $6,424,123 or 10.57% from the previous fiscal year.

The restricted portion of the County's net position (14.21%) represents resources that are subject to external restrictions on how they may be used. The remaining portion of the County's net position (9.65%) represents unrestricted resources, which can be used for anything.

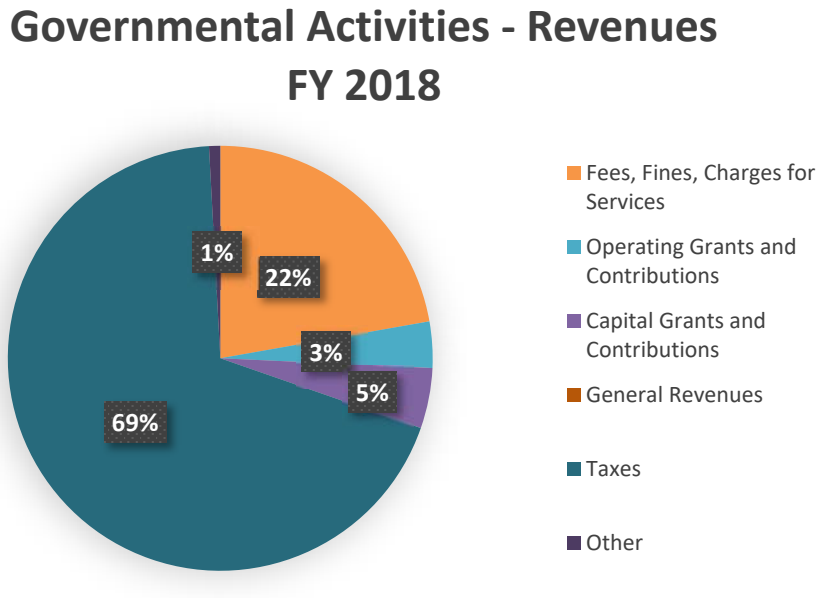
Governmental activities resulted in an increase in net position of $4,062,356 or 4.99% whereas business type activities resulted in a decrease in net position of $388,176 or 12.07% through current operations. The following table was derived from the government-wide Statement of Activities and shows how the County's net position changed during the year.

Bulloch County's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Fees, Fines, Charges for Services	12,973,054	12,324,111	2,186,934	1,947,791	15,159,988	14,271,902
Operating Grants and Contributions	2,052,663	2,857,449	-	-	2,052,663	2,857,449
Capital Grants and Contributions	2,683,681	2,491,896	-	-	2,683,681	2,491,896
General Revenues						
Taxes	40,177,988	38,916,379	-	-	40,177,988	38,916,379
Other	496,089	529,515	13,062	-	509,151	529,515
Total Revenues	58,383,475	57,119,350	2,199,996	1,947,791	60,583,471	59,067,141
Expenses						
Program Expenses						
General Government	6,217,574	5,240,018	-	-	6,217,574	5,240,018
Judicial	3,544,088	3,574,056	-	-	3,544,088	3,574,056
Public Safety	23,600,684	22,420,363	-	-	23,600,684	22,420,363
Public Works	7,372,132	7,649,144	-	-	7,372,132	7,649,144
Sanitation	4,683,169	4,684,529	-	-	4,683,169	4,684,529
Health and Welfare	492,529	484,204	-	-	492,529	484,204
Libraries and Recreation	5,401,190	5,273,835	-	-	5,401,190	5,273,835
Airport	981,332	826,381	-	-	981,332	826,381
Housing and Development	1,911,063	1,774,560	-	-	1,911,063	1,774,560
Education	-	419,398	-	-	-	419,398
Interest	67,358	120,291	-	-	67,358	120,291
Aquatic Center	-	-	2,638,172	2,474,668	2,638,172	2,474,668
Total Expenses	54,271,119	52,466,779	2,638,172	2,474,668	56,909,291	54,941,447
Excess (Deficiency)	4,112,356	4,652,571	(438,176)	(526,877)	3,674,180	4,125,694
Transfers	(50,000)	90,000	50,000	(90,000)	-	-
Change in Net Position	4,062,356	4,742,571	(388,176)	(616,877)	3,674,180	4,125,694
Net Position - Beginning	81,351,392	76,608,821	3,217,043	3,833,920	84,568,435	80,442,741
Net Position - Ending	85,413,748	81,351,392	2,828,867	3,217,043	88,242,615	84,568,435

Governmental Activities: Revenues

Governmental activities increased the County's net position by $4,062,356. Like most governments, taxes are the primary source of revenue for Bulloch County. In fiscal year 2018, tax revenues were $40,177,988, which is an increase of $1,261,609 from the prior year. The second largest source of revenues for the County is fees, fines and charges for services. These revenues were $12,973,054, which is an increase of $648,943 from the prior year.



Governmental Activities: Functional Expenses

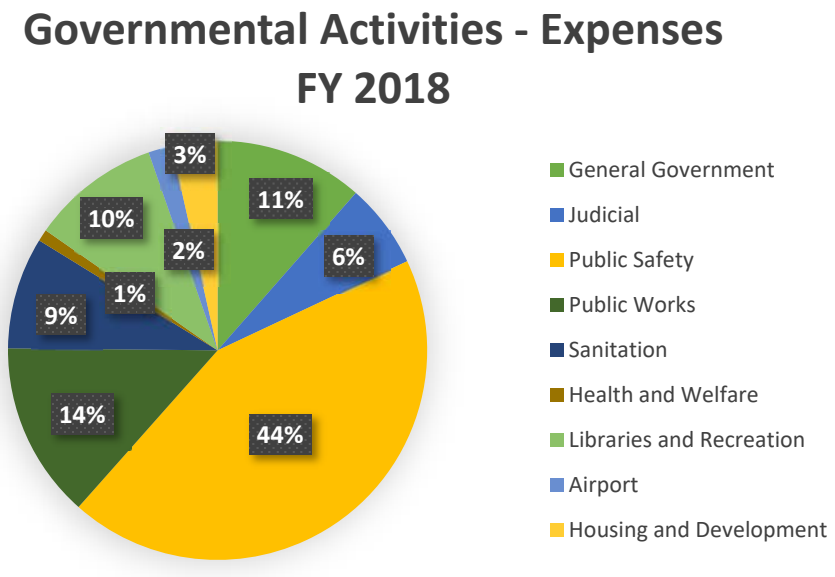
Governmental expenses also increased in fiscal year 2018 by $1,804,340 or 3.4% from the previous year. Public safety expenses for the sheriff, fire and rescue services in the amount of $23,600,684 are the county's largest functional cost and comprised 43.5% of the County's total governmental activity expenses in fiscal year 2018. This is an increase of $1,180,321 over the prior year and arose primarily from expenses incurred by the Sheriff's department.

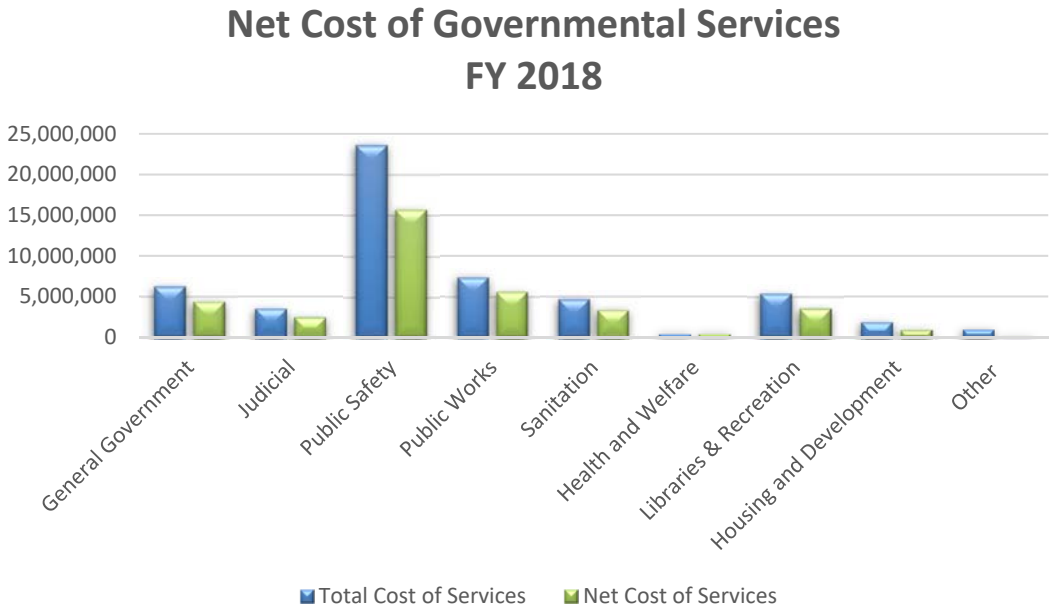
Public Works expenses for roads and transportation networks as well as fleet maintenance services are the second largest expense, coming in at $7,372,132 or 13.6% of the total. These expenses decreased by $277,012 from the prior year.

General government expenses accounted for $6,217,574 or 11.5% of total governmental activities for the fiscal year. This is an increase of $977,556 over the prior year and arose primarily from expenses incurred by the Facilities Management, Tax Assessor and Geographic Information System departments. Other expenses in this category include those for the legislative and executive functions of the County and financial and human capital management.

The remaining expenses include parks and recreation ($4,857,528), health and welfare ($492,529), planning and development ($1,911,063) and the judiciary ($3,544,088).

The following charts present the cost of each of the County's functions relative to each other as well as the net cost of each function (i.e., total cost less revenues generated by the activities). In other words, the second chart reveals the amount of each function not covered by the revenues they generated and therefore, the burden that was placed on the County's taxpayers to finance each of these functions. In the current fiscal year, 67.4% of all expenses had to be subsidized by general revenues.





Business-Type Activity: Revenues vs. Expenses

The business-type activity decreased in net position by $388,176 or 12.1% in fiscal year 2018. Even though program revenues increased by $239,143 over the prior year, they were not enough to exceed expenses which also increased by $163,504 over the prior year, creating a loss of $438,176. After operating transfers in of $50,000, the business-type activity reported a loss of $388,176 for the current fiscal year compared to a loss of $616,877 in the prior fiscal year. The loss was chiefly caused by additional site improvements to complete the expansion of the aquatic center that began in fiscal year 2017.

Financial Analysis of the County's Funds

Governmental Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's governmental funds focus on the short-term inflow, outflow and balances of spendable resources. This information is useful in assessing the resources available at the end of the year in comparison with upcoming financing requirements. In particular, the unassigned fund balance is a measure of the County's net resources available for spending in future years.

The County finished fiscal year 2018 with strong fund balances in governmental funds, though the combined total was less than the prior year. Governmental funds reported ending fund balances of $23,068,668 in fiscal year 2018 compared to $24,615,630 in fiscal year 2017. Of these year-end totals in fiscal year 2018, $895,537 was non-spendable, $12,490,710 was restricted and $9,682,421 was unassigned. The following paragraphs discuss the highlights of the governmental funds in more detail.

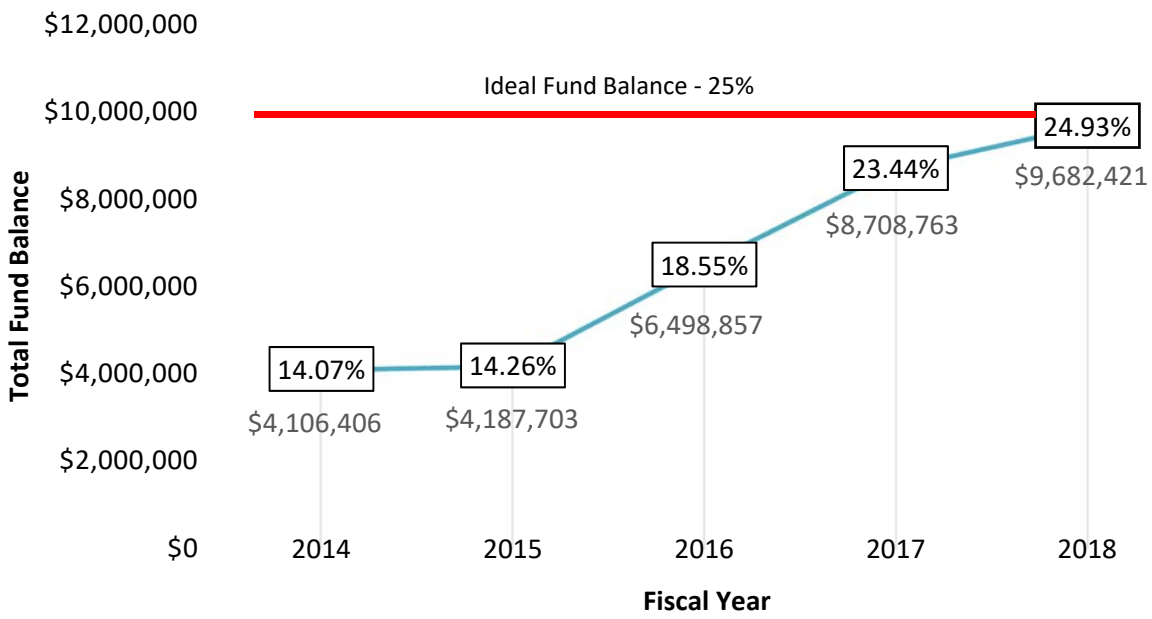
Major Governmental Funds

General Fund

The General Fund is the County's primary operating fund for all County revenues and expenditures that are not restricted to, or accounted for, in other funds. It is the largest source of day-to-day service delivery. Total revenues for the General Fund were $39,895,111, an increase of $195,325 over the prior fiscal year. Total expenditures for the General Fund were $38,840,251, an increase of $1,679,840 over the prior fiscal year. The increase in revenues is primarily due to growth in real property tax collections while the increase in expenditures is primarily due to rising personnel costs.

The fund balance for the General Fund at the end of the fiscal year was $11,027,821, which is an increase of $1,401,259 over the prior fiscal year. Of this amount, $844,508 was non-spendable, $500,892 was restricted and the remaining $9,682,421 was unassigned. As a measure of the General Fund's financial health and liquidity, it is useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24.93% of total general fund operating expenditures and total fund balance represents 28.39% of that same amount.

The Board of Commissioners committed to increasing the unassigned fund balance of the General Fund to meet the required fund reserve of 25%. In each of the last four fiscal years, the General Fund has slowly increased its unassigned fund balance as shown in the table below.



General Fund Budget Highlights

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.

Overall, the General Fund recognized revenues of $1,815,772 in excess of the original budget of $39,079,339 which arose primarily from collections of current year property ($310,118) and insurance premium taxes ($123,439), and intergovernmental revenue such as funds provided by the Federal Emergency Management Agency ($467,460) for relief from Hurricane Irma in September 2017.

The General Fund recognized expenditures of $1,203,688 in excess of the original budget due to excess expenditures arising from the public safety function for personnel costs and care of inmates. The Board approved additional appropriations for this purpose. The County transferred $467,460 of hurricane recovery funds to the multiple grants fund to provide for capital outlays of technology that will increase operational efficiency throughout the County, maintenance of governmental facilities such as roof and HVAC replacements and vehicles and equipment for numerous departments within the functions of public safety and public works.

Multiple Grants Fund

The multiple grants fund accounts for sources and uses of funds such as grant revenues or donations from external entities, whereby the funds are usually given and expended for a specific purpose. In fiscal year 2018, the County received approximately $1.65 million from the Georgia Department of Transportation for road improvements through its Local Maintenance Improvement Grant. Additionally, the County received nearly $593,000 from the Georgia State Transportation Infrastructure Bank for access improvements to the County's

industrial park on Highway 301/I-16. Other grants in fiscal year 2018 include grants from the Georgia Trauma Commission and Firehouse Subs. Expenditures for these and other purposes mentioned above will not be complete until fiscal year 2019 and 2020.

SPLOST 2013

The Special Purpose Local Option Sales Tax (SPLOST) Fund is the County's primary funding source for the acquisition and construction of capital facilities and assets. In fiscal year 2018, tax revenues were $10,782,163 compared to $10,520,481 in the prior fiscal year.

Expenditures in fiscal year 2018 were $12,274,630 compared to $10,944,363 in the prior fiscal year. Since all SPLOST proceeds are defined by law to be spent on capital outlays, not operating costs, comparisons of expenditures between fiscal years will vary greatly due to the number and timing of projects appropriated. In fiscal year 2018, $3,745,323 (30.51%) of expenditures was provided to the City of Statesboro according to the intergovernmental agreement; $2,851,845 (23.23%) was used to retire existing debt on capital assets; $1,995,995 (16.26%) was expended for public works excluding $2,221,264 (18.10%) specifically for sanitation; the remaining expenditures were predominantly for recreation and public safety with a minimal amount expended in support of the airport and general government.

Non-Major Governmental Funds

Non-major governmental funds are those whose activities are not deemed individually significant such as the majority of the special revenue funds, so they are aggregated and presented in one column on the governmental funds financial statements. In fiscal year 2018, total revenues were $4,755,033 and total expenditures were $6,798,304 with the largest expenditure, and thus the reason for expenditures in excess of revenues as well as the declining fund balance, pertaining to the construction of a multi-purpose agricultural arena whose expenditures in the current fiscal year exceeded $2.3 million. Completion of this project is expected in fiscal year 2019.

Proprietary Funds

The proprietary funds account for the activities of enterprise and internal service funds. Revenues generated from user fees and charges for services are expended in support of the activity or service provided and should be sufficient to liquidate all costs, including depreciation and debt service.

Enterprise Fund

As discussed above, the County's only enterprise fund accounts for funds received from and expended for users of the Splash in the 'Boro Aquatic Center. Although this fund has experienced two successive years of declining net position due primarily from capital outlays for park expansion, the County's management is hopeful this trend will cease in future fiscal years.

Internal Service Funds

The County has two internal service funds: The Employee Health Insurance fund and the Correctional Food Service fund. While the General Fund subsidizes the Correctional Food Service fund, the Employee Health Insurance fund had an increase in net position of $170,681 for the current fiscal year due to an increase in premiums revenue compared to the prior fiscal year. This fund had claims liability of $800,340 at June 30, 2018 compared to $750,000 at the end of fiscal year 2017.

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 30.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounted to $78,283,439 (net of accumulated depreciation) and includes land, buildings, improvements, infrastructure such as roads and bridges, machinery and equipment and construction in progress. That compares to the fiscal year 2017 investment of $74,918,918.

In fiscal year 2018, the County's investment in assets for governmental activities increased by $3,494,360 due to completion of several road projects, including two roundabouts, and construction of new facilities such as a solid waste convenience center on Arcola Road and a fuel containment center for the Airport as well as improvements to buildings such as roof replacements. In contrast, the County's total investment in assets for business-type activities decreased by $129,839. The primary reason for this was the completion of expansion of Splash in the 'Boro water park, which moved $5,681,199 from construction in progress to improvements other than buildings and began depreciating in fiscal year 2018. Additional information about capital assets can be found in Note 6 of the basic financial statements. The following table provides a summary of capital asset activity.

Capital Assets as of June 30, 2018

	Governmental Activities		Business Activities		Total	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Non-depreciable Assets						
Land	3,913,858	3,919,858	73,305	73,305	3,987,163	3,987,163
Construction in Progress	4,753,117	3,294,130	-	5,681,199	4,753,117	8,975,329
Total Non-Depreciable	**8,666,975**	**7,207,988**	**73,305**	**5,754,504**	**8,740,280**	**12,962,492**
Depreciable Assets						
Buildings	48,432,655	47,606,869	5,181,231	4,213,244	53,613,886	51,820,113
Improvements Other Than Buildings	7,186,765	7,129,771	10,548,901	5,332,928	17,735,666	12,462,699
Machinery and Equipment	26,925,000	27,051,664	517,527	517,527	27,442,527	27,569,191
Intangible assets	50,150	-	-	-	50,150	27,569,191
Infrastructure	136,003,064	132,103,983	-	-	136,003,064	132,103,983
Total Depreciable Assets	**218,597,634**	**213,892,287**	**16,247,659**	**10,063,699**	**234,845,293**	**223,955,986**
Less Accumulated Depreciation	159,752,333	157,082,359	5,549,801	4,917,201	165,302,134	161,999,560
Book Value: Depreciable Assets	58,845,301	56,809,928	10,697,858	5,146,498	69,543,159	61,956,426
Percentage Depreciated	73.08%	73.44%	34.16%	48.86%	70.39%	72.34%
Total Book Value	**67,512,276**	**64,017,916**	**10,771,163**	**10,901,002**	**78,283,439**	**74,918,918**

Long-term Debt

As of June 30, 2018, the County had total debt outstanding for governmental and business-type activities of $14,869,741 comprised of bonded debt backed by the full faith and credit of the government, various capital leases and notes payable and compensated absences. Compared to the prior fiscal year, the County's total debt decreased by $2,436,465 though the County entered into a new lease agreement in fiscal year 2018 for $1,206,733. Most of the reduction in fiscal year 2018 is attributable to debt payments on the County's bonded debt. Annual debt service requirements currently retire in 2019, 2020, 2021, 2031 and 2032, and are met with various funding sources such as Special Purpose Local Option Sales Taxes, General Fund property taxes and Aquatic Fund user fees.

Long-Term Debt Obligations

	Governmental Activities		Business-Type		Totals	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Capital Leases	2,012,889	1,697,168	-	-	2,012,889	1,697,168
Notes Payable	472,829	509,079	-	-	472,829	509,079
Bonds Payable	4,452,746	6,651,073	7,199,658	7,658,848	11,652,404	14,309,921
Compensated Absences	726,302	787,110	5,317	2,928	731,619	790,038
Total	**7,664,766**	**9,644,430**	**7,204,975**	**7,661,776**	**14,869,741**	**17,306,206**

Additional information about the County's long-term debt can be found in Notes 7, 8, 9, and 10.

Summary

In summary, at the close of June 30, 2018, Bulloch County currently has adequate financial strength and liquidity. It has a strong capital asset base and minimal debt. The operating position, particularly in the General Fund, increased again as it has the previous three fiscal years and we expect that trend to continue. Sales tax collections continue to slowly rise, and the County has renewed the Special Purpose Local Option Sales Tax beginning in 2019. Additionally, the citizens of Bulloch County approved the collection of an additional sales tax specifically for Transportation purposes that will begin in fiscal year 2019 and place the County in an even more advantageous position.

As Bulloch County lies in close proximity to Chatham, Bryan and Effingham Counties, its 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. Therefore, the County will continue its commitment to nurture existing industry and businesses that complement its existing business mix, continue 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 in November 2011.

Finally, the County will continue to restructure administrative functions, and periodically internally audit specific operations for better efficiencies. Expenditures will be controlled, and consideration will be given to the County's long-term initiatives to meet the demands of a growing population while keeping its millage rate low, incurring minimal debt and maintaining fund reserves to retain its excellent quality of life.

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

Whitney Richland
Chief Financial Officer

Andrew Welch
Assistant County Manager

115 North Main Street
Statesboro, Georgia, 30458
(912) 764-6245

Bulloch County, Georgia
Statement of Net Position
June 30, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Bulloch County Board of Health	Development Authority of Bulloch County
ASSETS					
Current assets:					
Cash	$ 14,576,323	$ 14,475	$ 14,590,798	$ 1,777,553	$ 2,780,432
Investments	12,054,613	-	12,054,613	-	-
Receivables:					
Taxes	560,919	-	560,919	-	-
Intergovernmental	2,421,265	-	2,421,265	52,750	-
Other	612,176	-	612,176	-	120,000
Prepaid items	860,866	-	860,866	-	-
Inventories	45,955	-	45,955	-	-
Internal balances	343,449	(343,449)	-	-	-
Total current assets	31,475,566	(328,974)	31,146,592	1,830,303	2,900,432
Noncurrent assets:					
Nondepreciable capital assets	8,666,975	73,305	8,740,280	-	10,899,117
Depreciable capital assets, net	58,845,301	10,697,858	69,543,159	91,919	2,705,027
Net OPEB Asset	-	-	-	58,380	-
Total noncurrent assets	67,512,276	10,771,163	78,283,439	150,299	13,604,144
Total assets	98,987,842	10,442,189	109,430,031	1,980,602	16,504,576
DEFERRED OUTFLOWS OF RESOURCES					
Resources related to pensions	-	-	-	245,955	-
LIABILITIES					
Current liabilities:					
Accounts payable	4,040,918	276,027	4,316,945	-	1,331
Accrued payroll	844,202	107,106	951,308	-	-
Accrued interest payable	87,304	25,214	112,518	-	-
Unearned revenue	136,564	-	136,564	-	349,684
Claims payable	800,340	-	800,340	-	-
Compensated absences payable	145,260	1,063	146,323	31,503	-
Bonds payable	2,095,000	440,000	2,535,000	-	-
Capital leases payable	780,924	-	780,924	-	-
Notes payable	25,869	-	25,869	-	-
Total current liabilities	8,956,381	849,410	9,805,791	31,503	351,015
Noncurrent liabilities:					
Compensated absences payable (net of current portion)	581,042	4,254	585,296	31,502	-
Net pension obligation	-	-	-	1,180,589	-
Bonds payable (net of current portion)	2,357,746	6,759,658	9,117,404	-	.
Capital leases payable (net of current portion)	1,231,965	-	1,231,965	-	-
Notes payable (net of current portion)	446,960	-	446,960	-	-
Total noncurrent liabilities	4,617,713	6,763,912	11,381,625	1,212,091	-
Total liabilities	13,574,094	7,613,322	21,187,416	1,243,594	351,015
DEFERRED INFLOWS OF RESOURCES					
Resources related to pensions	-	-	-	11,936	-
NET POSITION					
Net investment in capital assets	63,610,922	3,571,505	67,182,427	91,919	13,604,144
Restricted for:					
Economic development	-	-	-	-	2,549,417
Capital projects	7,801,187	-	7,801,187	-	-
Other purposes	4,740,552	-	4,740,552	797,238	-
Unrestricted	9,261,087	(742,638)	8,518,449	81,870	-
Total net position	$ 85,413,748	$ 2,828,867	$ 88,242,615	$ 971,027	$ 16,153,561

The notes to financial statements are an integral part of this statement.

Bulloch County, Georgia
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: 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	$ 6,217,574	$ 895,360	$ 960,971	$ -	$ (4,361,243)	$ -	$ (4,361,243)		
Judicial	3,544,088	889,013	178,125	-	(2,476,950)	-	(2,476,950)		
Public safety	23,600,684	7,586,101	313,087	35,400	(15,666,096)	-	(15,666,096)		
Public works	7,372,132	86,676	467,460	1,656,376	(5,161,620)	-	(5,161,620)		
Sanitation	4,683,169	748,708	122,000	211,000	(3,601,461)	-	(3,601,461)		
Health and welfare	492,529	-	-	-	(492,529)	-	(492,529)		
Recreation	4,857,528	1,806,505	8,608	-	(3,042,415)	-	(3,042,415)		
Libraries	543,662	-	-	-	(543,662)	-	(543,662)		
Airport	981,332	647,231	2,412	187,966	(143,723)	-	(143,723)		
Housing and development	1,911,063	313,460	-	592,939	(1,004,664)	-	(1,004,664)		
Interest and fiscal charges	67,358	-	-	-	(67,358)	-	(67,358)		
Total governmental activities	54,271,119	12,973,054	2,052,663	2,683,681	(36,561,721)	-	(36,561,721)		
Business-type activities:									
Aquatic Center	2,638,172	2,186,934	-	-	-	(451,238)	(451,238)		
Total primary government	$ 56,909,291	$ 15,159,988	$ 2,052,663	$ 2,683,681	(36,561,721)	(451,238)	(37,012,959)		
Component units:									
Bulloch County Board of Health	$ 1,843,665	$ 798,989	$ 1,191,774	$ -				$ 147,098	$ -
Development Authority of Bulloch County	503,081	601,888	250,000	-				-	348,807
Total component units	$ 2,346,746	$ 1,400,877	$ 1,441,774	$ -				147,098	348,807
General revenues:									
General purpose property taxes					24,137,291	-	24,137,291	-	-
Fire protection property taxes					1,665,596	-	1,665,596	-	-
Streetlight district property taxes					71,368	-	71,368	-	-
Sales taxes					10,782,163	-	10,782,163	-	-
Insurance premium tax					2,373,439	-	2,373,439	-	-
Other taxes					1,148,131	-	1,148,131	-	-
Interest earned					60,527	13,062	73,589	-	4,628
Gain on sale of capital assets					7,234	-	7,234	-	-
Other					428,328	-	428,328	-	2,041
Transfers					(50,000)	50,000	-	-	-
Total general revenues and transfers					40,624,077	63,062	40,687,139	-	6,669
Change in net position					4,062,356	(388,176)	3,674,180	147,098	355,476
Net position - beginning, as restated					81,351,392	3,217,043	84,568,435	823,929	15,798,085
Net position - ending					$ 85,413,748	$ 2,828,867	$ 88,242,615	$ 971,027	$ 16,153,561

The notes to financial statements are an integral part of this statement.

Bulloch County, Georgia
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Grants	2013 SPLOST	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash	$ (915,293)	$ 1,741,927	$ 5,690,175	$ 5,369,533	$ 11,886,342
Investments	12,054,613	-	-	-	12,054,613
Receivables:					
Taxes	532,491	-	-	28,428	560,919
Intergovernmental	782,725	644,839	943,623	50,078	2,421,265
Other	52,612	-	-	199,777	252,389
Due from other funds	343,449	525,538	-	-	868,987
Prepaid items	844,508	-	-	5,074	849,582
Inventories	-	-	-	45,955	45,955
Total assets	$ 13,695,105	$ 2,912,304	$ 6,633,798	$ 5,698,845	$ 28,940,052
LIABILITIES					
Accounts payable	$ 980,183	$ 658,468	$ 1,734,242	$ 586,369	$ 3,959,262
Accrued payroll liabilities	810,847	-	-	30,127	840,974
Due to other funds	469,520	-	56,018	-	525,538
Unearned revenue	19,096	114,457	-	3,011	136,564
Total liabilities	2,279,646	772,925	1,790,260	619,507	5,462,338
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	387,638	-	-	21,408	409,046
FUND BALANCES					
Nonspendable	844,508	-	-	51,029	895,537
Restricted	500,892	2,139,379	4,843,538	5,006,901	12,490,710
Unassigned	9,682,421	-	-	-	9,682,421
Total fund balances	11,027,821	2,139,379	4,843,538	5,057,930	23,068,668
Total liabilities, deferred inflows of resources, and fund balances	$ 13,695,105	$ 2,912,304	$ 6,633,798	$ 5,698,845	$ 28,940,052

The notes to financial statements are an integral part of this statement.

Bulloch County, Georgia
Reconciliation of Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2018

Amounts reported for governmental activities in the statement of net position are different because:		
Fund balances of governmental funds		$23,068,668
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	227,264,609	
Less accumulated depreciation	(159,752,333)	
		67,512,276
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	(87,304)	
Bonds Payable	(4,452,746)	
Capital leases payable	(2,012,889)	
Notes payable	(472,829)	
Compensated absences	(726,302)	
		(7,752,070)
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds:		
Property taxes	409,046	
		409,046
Assets and liabilities of internal service funds are included in governmental activities in the statement of net position.		2,175,828
Net position of governmental activities		$85,413,748

The notes to financial statements are an integral part of this statement.

Bulloch County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General Fund	Grants	2013 SPLOST	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes	$ 27,711,513	$ -	$ 10,782,163	$ 1,740,666	$ 40,234,342
Licenses and permits	526,605	-	-	-	526,605
Charges for services	7,934,348	-	-	2,499,866	10,434,214
Fees, fines and forfeitures	1,611,151	-	-	264,597	1,875,748
Intergovernmental	1,710,793	2,252,664	398,966	12,212	4,374,635
Interest	60,491	-	482	1,205	62,178
Other	340,210	34,004	-	236,487	610,701
Total revenues	39,895,111	2,286,668	11,181,611	4,755,033	58,118,423
EXPENDITURES					
Current:					
General government	5,150,600	73,540	-	-	5,224,140
Judicial	3,574,173	-	-	1,055	3,575,228
Public safety	18,099,108	5,000	-	3,196,423	21,300,531
Public works	2,881,422	-	-	73,107	2,954,529
Sanitation	2,377,902	-	-	-	2,377,902
Health and welfare	374,155	-	-	-	374,155
Recreation	4,579,292	-	-	-	4,579,292
Libraries	535,300	-	-	-	535,300
Airport	-	-	-	635,693	635,693
Housing and development	1,074,830	-	-	9,117	1,083,947
Debt service:					
Principal retirement	188,511	-	2,583,403	160,348	2,932,262
Interest	4,958	-	268,442	9,371	282,771
Capital outlay:					
General government	-	647,270	4,100	-	651,370
Public safety	-	253,450	456,893	319,145	1,029,488
Public works	-	1,595,706	1,995,995	-	3,591,701
Sanitation	-	-	2,221,264	-	2,221,264
Recreation	-	-	649,613	2,317,956	2,967,569
Airport	-	6,345	349,597	50,330	406,272
Housing and development	-	592,939	-	25,759	618,698
Intergovernmental	-	-	3,745,323	-	3,745,323
Total expenditures	38,840,251	3,174,250	12,274,630	6,798,304	61,087,435
Excess (deficiency) of revenues over (under) expenditures	1,054,860	(887,582)	(1,093,019)	(2,043,271)	(2,969,012)
OTHER FINANCING SOURCES (USES)					
Transfers in	183,690	467,460	-	-	651,150
Transfers out	(467,460)	-	-	(106,340)	(573,800)
Proceeds from capital lease	498,963	-	707,770	-	1,206,733
Sale of capital assets	131,206	-	-	6,761	137,967
Total other financing sources (uses)	346,399	467,460	707,770	(99,579)	1,422,050
Net change in fund balances	1,401,259	(420,122)	(385,249)	(2,142,850)	(1,546,962)
Fund balances - beginning	9,626,562	2,559,501	5,228,787	7,200,780	24,615,630
Fund balances - ending	$ 11,027,821	$ 2,139,379	$ 4,843,538	$ 5,057,930	$ 23,068,668

The notes to financial statements are an integral part of this statement.

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, 2018

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		($1,546,962)
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.		170,681
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	(5,768,330)	
Capital outlay	9,393,423	
		3,625,093
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds		
Unavailable at 06/30/2017	(465,400)	
Unavailable at 06/30/2018	409,046	
		(56,354)
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.		(130,733)
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.		(1,206,733)
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.		193,327
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.		2,932,262
Some expenses reported in the statement of activities, such as accrued interest payable and compensated absences, do not require the use of current finacial resources and therefore are not reported as expenditures in the governmental funds.		81,775
Change in net position of governmental activities		$4,062,356

The notes to financial statements are an integral part of this statement.

Bulloch County, Georgia
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 26,950,000	$ 27,711,513	$ 27,711,513	-
Licenses and permits	478,000	526,605	526,605	-
Charges for services	7,682,489	7,933,064	7,934,348	$ 1,284
Fees, fines and forfeitures	1,465,900	1,571,856	1,611,151	39,295
Intergovernmental	1,164,565	1,706,009	1,710,793	4,784
Interest	3,325	60,472	60,491	19
Other	335,060	336,068	340,210	4,142
Total revenues	38,079,339	39,845,587	39,895,111	49,524
EXPENDITURES				
Current:				
General Government				
Governing body	149,924	162,886	162,886	-
County manager	362,128	381,837	381,837	-
County clerk	90,988	107,335	107,335	-
Financial administration	516,393	595,906	595,906	-
Staff attorney	207,214	207,214	196,102	11,112
Human Resources	258,369	258,369	209,221	49,148
Personnel Services	150,000	150,000	-	150,000
Public relations	43,000	43,000	24,660	18,340
General administration fees	58,000	59,568	59,568	-
Engineering	125,206	125,206	104,509	20,697
Elections	248,875	286,828	286,828	-
General government buildings	803,805	953,941	953,941	-
Risk management/General insurance	477,000	477,000	424,302	52,698
Tax Assessor	782,538	803,971	803,971	-
Geographic information systems	198,793	198,793	153,633	45,160
Tax commissioner	702,051	702,051	685,901	16,150
Total general government	5,174,284	5,513,905	5,150,600	363,305
Judicial				
Clerk of Courts	897,300	897,300	867,411	29,889
Superior Court	290,000	290,000	288,306	1,694
State Court	290,608	300,577	300,577	-
Mental Health Court	144,803	144,803	119,623	25,180
State Court Solicitor	302,505	302,505	255,750	46,755
District Attorney	360,000	360,000	360,000	-
Indigent defense	348,323	400,519	400,519	-
Magistrate Court	616,585	678,194	678,194	-
Probate Court	265,085	303,793	303,793	-
Total judicial	3,515,209	3,677,691	3,574,173	103,518
Public Safety				
Animal control	188,172	190,381	190,381	-
Animal shelter	360,589	377,944	377,944	-
Coroner	96,591	99,068	99,068	-
County correctional	1,945,299	2,108,559	2,051,572	56,987
Public safety administration	278,416	316,292	316,292	-
Probation	634,066	634,066	618,137	15,929
Emergency medical service	2,538,045	2,710,974	2,710,974	-
Jail	4,360,968	4,647,919	4,695,527	(47,608)
Sheriff	3,904,533	4,264,270	4,264,270	-
Seized drug funds	15,000	68,787	68,787	-
Criminal investigation	566,293	620,766	620,766	-
Crime suppression	819,886	876,249	876,249	-
Court security	1,134,747	1,209,141	1,209,141	-
Total public safety	16,842,605	18,124,416	18,099,108	25,308
Public Works				
Roads	2,590,065	2,630,065	2,424,601	205,464
Fleet management	369,626	456,821	456,821	-
Total public works	2,959,691	3,086,886	2,881,422	205,464

Bulloch County, Georgia
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

Sanitation	2,295,465	2,377,902	2,377,902	-
Health and Welfare				
Health department	166,000	166,000	163,319	2,681
Other health and welfare	186,800	211,336	210,836	500
Total health and welfare	352,800	377,336	374,155	3,181
Recreation	4,669,559	4,760,988	4,579,292	181,696
Libraries	535,300	535,300	535,300	-
Housing and Development				
Agricultural resources	227,032	236,042	236,042	-
Building inspections	385,739	385,739	340,669	45,070
Planning and zoning	339,081	339,081	248,119	90,962
Economic development	250,000	250,000	250,000	-
Total housing and development	1,201,852	1,210,862	1,074,830	136,032
Total current expenditures	37,546,765	39,665,286	38,646,782	1,018,504
Debt service:				
Principal retirement	89,798	188,511	188,511	-
Interest	-	4,958	4,958	-
Total debt service	89,798	193,469	193,469	-
Total expenditures	37,636,563	39,858,755	38,840,251	1,018,504
Excess (deficiency) of revenues over expenditures	442,776	(13,168)	1,054,860	1,068,028
OTHER FINANCING SOURCES (USES)				
Transfers in	294,085	294,085	183,690	(110,395)
Transfers out	-	-	(467,460)	(467,460)
Proceeds from capital lease	-	498,963	498,963	-
Sale of capital assets	30,000	131,206	131,206	-
Total other financing sources (uses)	324,085	924,254	346,399	(577,855)
Net change in fund balances	766,861	911,086	1,401,259	490,173
Fund balances - beginning	9,626,562	9,626,562	9,626,562	-
Fund balances - ending	$ 10,393,423	$ 10,537,648	$ 11,027,821	$ 490,173

The notes to financial statements are an integral part of this statement.

Bulloch County, Georgia
Grants Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	$ 4,821,603	$ 2,252,664	$ (2,568,939)
Other	1,877,000	34,004	(1,842,996)
Total revenues	6,698,603	2,286,668	(4,411,935)
EXPENDITURES			
Current:			
General Government	155,000	73,540	81,460
Public Safety	-	5,000	(5,000)
Capital outlay:			
General Government	709,625	647,270	62,355
Public Safety	324,657	253,450	71,207
Public Works	1,869,975	1,595,706	274,269
Airport	6,345	6,345	-
Housing and Development	4,771,000	592,939	4,178,061
Total expenditures	7,836,602	3,174,250	4,662,352
Excess (deficiency) of revenues over expenditures	(1,137,999)	(887,582)	250,417
OTHER FINANCING SOURCES (USES)			
Transfers in	-	467,460	467,460
Net change in fund balances	(1,137,999)	(420,122)	(717,877)
Fund balances - beginning	2,559,501	2,559,501	-
Fund balances - ending	$ 1,421,502	$ 2,139,379	$ (717,877)

The notes to financial statements are an integral part of this statement.

Bulloch County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities - Enterprise Fund Aquatic Center	Governmental Activities Internal Service Funds
ASSETS		
Current assets:		
Cash	$ 14,475	$ 2,689,981
Account Receivable	-	359,787
Prepaid items	-	11,284
Total current assets	14,475	3,061,052
Noncurrent assets:		
Capital assets:		
Land	73,305	-
Buildings and improvements	15,730,132	-
Machinery and equipment	517,527	-
Less: accumulated depreciation	(5,549,801)	-
Total capital assets	10,771,163	-
Total assets	10,785,638	3,061,052
LIABILITIES		
Current liabilities:		
Accounts payable	276,027	81,656
Accrued payroll liabilities	107,106	3,228
Due to other funds	343,449	-
Accrued interest payable	25,214	-
Bonds payable	440,000	-
Claims payable	-	800,340
Compensated absences payable	1,063	-
Total current liabilities	1,192,859	885,224
Noncurrent liabilities:		
Compensated absences payable (net of current portion)	4,254	-
Bonds payable (net of current portion)	6,759,658	-
Total noncurrent liabilities	6,763,912	-
Total liabilities	7,956,771	885,224
NET POSITION		
Net investment in capital assets	3,571,505	-
Unrestricted	(742,638)	2,175,828
Total net position	$ 2,828,867	$ 2,175,828

The notes to financial statements are an integral part of this statement.

Bulloch County, Georgia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds	Governmental Activities
	Aquatic Center	Internal Service Funds
OPERATING REVENUES		
Charges for services	$ 2,186,934	$ 963,817
Premiums	-	4,851,178
Total operating revenues	2,186,934	5,814,995
OPERATING EXPENSES		
Salaries and benefits	992,400	115,521
Materials and supplies	593,409	844,813
Purchased/contracted services	262,462	575,175
Depreciation	632,599	-
Claims	-	3,981,455
Total operating expenses	2,480,870	5,516,964
Operating income (loss)	(293,936)	298,031
NONOPERATING REVENUES (EXPENSES)		
Interest earned	13,062	-
Interest expense	(157,302)	-
Total nonoperating revenues (expenses)	(144,240)	-
Income (loss) before transfers	(438,176)	298,031
Transfers in	50,000	-
Transfers out	-	(127,350)
Change in net position	(388,176)	170,681
Total net position - beginning	3,217,043	2,005,147
Total net position - ending	$ 2,828,867	$ 2,175,828

The notes to financial statements are an integral part of this statement.

Bulloch County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds	Governmental Activities
	Aquatic Center	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 2,187,477	$ -
Cash received from internal charges	-	5,814,995
Cash payments to employees for salaries and benefits	(975,018)	(115,634)
Cash payments for supplies and services	(835,113)	(1,407,015)
Cash payments for claims	-	(4,197,619)
Net cash provided (used) by operating activities	377,346	94,727
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances from (to) other funds	343,449	-
Transfers in (out)	50,000	(127,350)
Net cash provided (used) by noncapital financing activities	393,449	(127,350)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on bonds payable	(430,000)	-
Aqcuisition and construction of capital assets	(2,241,107)	-
Interest paid	(188,100)	-
Net cash provided (used) by capital and related financing activities	(2,859,207)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	13,062	-
Net increase (decrease) in cash and cash equivalents	(2,075,350)	(32,623)
Cash and cash equivalents - beginning of year	2,089,825	2,722,604
Cash and cash equivalents - end of year	$ 14,475	$ 2,689,981
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income (loss)	$ (293,936)	$ 298,031
Adjustments:		
Depreciation	632,599	-
(Increase) decrease in operating assets:		
Accounts receivable	543	(266,504)
Prepaid items	-	(1,218)
Increase (decrease) in operating liabilities:		
Accounts payable	(1,717,589)	14,191
Claims payable	-	50,340
Accrued payroll	14,993	(113)
Compensated absences payable	2,389	-
(Increase) decrease in accounts payable related to construction in progress	1,738,347	
Net cash provided (used) by operating activities	$ 377,346	$ 94,727

The notes to financial statements are an integral part of this statement.

Bulloch County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2018

ASSETS	
Cash	$ 1,087,440
LIABILITIES	
Due to other entities and individuals	$ 1,087,440

The notes to financial statements are an integral part of this statement.

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 statute 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:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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*.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Fund – This fund accounts for grant revenues and related expenditures, as well as donations which are given and expended for a specific purpose.

SPLOST 13 Fund – This fund accounts for the special purpose local option sales tax collected pursuant to a referendum for various capital improvements within the County.

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. The general fund, the Statesboro/Bulloch County Airport special revenue fund and the SPLOST 2007 fund each reported an allowance for uncollectibles of $26,987, $3,650 and $400,000, respectively at June 30, 2018.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2018, 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. No interest was capitalized for the year ended June 30, 2018.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2018. 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.”

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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).

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, 2018 in the following departments for the general fund:

	General Fund
Jail	$ 47,608

The overexpenditure in this area was funded by underexpenditures in other areas.

Expenditures exceeded appropriations in the following special revenue fund and this overexpenditure was funded by available fund balance.

	Overexpenditures
Grants fund - Public Safety	$ 5,000

NOTE 3 – DEPOSITS AND INVESTMENTS

At June 30, 2018, the County had the following investments:

Investments	Maturities	Fair Value	Credit Rating
Primary Government:			
Georgia Fund 1	Average of 10 days WAM	$ 12,054,613	AAAf

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

Credit Risk – State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Custodial Credit Risk – Deposits – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

Custodial Credit Risk – Investments – Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

At June 30, 2018, the carrying amount of the County's deposits (checking and certificates of deposit) was $15,678,238 and the bank balance was $17,157,303. Of the bank balance, $1,812,223 was covered by federal depository insurance and $15,345,080 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 $2,780,432 and the bank balance was $2,783,932 of which $250,000 was covered by federal depository insurance and $2,533,932 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 $1,777,553 and the bank balance was $1,928,810 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, 2018, property taxes were levied on August 22, 2017, and were due December 1, 2017.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2018 is as follows:

Receivable Fund	Payable Fund	Amount
Grant	General	$ 469,520
Grant	SPLOST 2013	56,018
General	Aquatic	343,449
Total		$ 868,987

Interfund balances at June 30, 2018 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, 2018, consisted of the following:

	Transfers From:			
Transfers To:	General Fund	Non-major Governmental Funds	Employee Health Insurance	Total
General Fund	-	$ 56,340	$127,350	$ 183,690
Grant Fund	$ 467,460			467,460
Aquatic Center		50,000	-	50,000
Total	$ 467,460	$ 106,340	$127,350	$ 701,150

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 to the general fund from other funds represent reimbursements for indirect costs paid by the general fund. Transfers to the aquatic center fund from other funds represent funds transferred from the aquatic fund in prior years to supplement operations in other areas.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance 7/1/2017 As restated	Additions	Deductions	Balance 6/30/2018
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 3,913,858	-	-	$ 3,913,858
Construction in progress	3,294,130	$ 4,739,622	$ 3,280,635	4,753,117
Total capital assets not being depreciated	7,207,988	4,739,622	3,280,635	8,666,975
Capital assets being depreciated:				
Buildings	47,618,855	833,235	19,435	48,432,655
Improvements other than buildings	7,129,771	61,259	4,265	7,186,765
Machinery and equipment	27,039,678	3,112,779	3,227,457	26,925,000
Infrastructure	132,103,983	3,899,081	-	136,003,064
Total capital assets being depreciated	213,892,287	7,906,354	3,251,157	218,547,484
Intangible assets	-	50,150	-	50,150
Total capital assets	221,100,275	12,696,126	6,531,792	227,264,609
Accumulated depreciation:				
Buildings	19,486,550	1,323,403	1,153	20,808,800
Improvements other than buildings	2,995,991	293,272	4,265	3,284,998
Machinery and equipment	21,522,105	2,014,555	3,092,938	20,443,722
Infrastructure	113,077,713	2,137,100	-	115,214,813
Total accumulated depreciation	157,082,359	5,768,330	3,098,356	159,752,333
Governmental activities capital assets, net	$ 64,017,916	$ 6,927,796	$ 3,433,436	$ 67,512,276

Governmental activities depreciation expense:

General government	$ 459,356
Judicial	209,624
Public safety	1,441,008
Public works	2,536,064
Sanitation	301,196
Health and welfare	118,374
Recreation	446,153
Libraries	8,362
Airport	222,647
Housing and development	25,546
Total governmental activities depreciation expense	$ 5,768,330

NOTE 6 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2018 for the County's enterprise funds was as follows:

	Balance 7/1/2017	Additions	Deductions	Balance 6/30/2018
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 73,305	-	-	$ 73,305
Construction in progess	5,681,199	-	$ 5,681,199	-
Total capital assets not being depreciated	5,754,504	-	5,681,199	73,305
Capital assets being depreciated:				
Buildings	4,213,244	967,987	-	5,181,231
Improvements other than buildings	5,332,928	5,215,973	-	10,548,901
Machinery and equipment	517,527	-	-	517,527
Total capital assets being depreciated	10,063,699	6,183,960	-	16,247,659
Total capital assets	15,818,203	6,183,960	5,681,199	16,320,964
Accumulated depreciation:				
Buildings	1,741,699	166,633	-	1,908,332
Machinery and equipment	485,439	10,302	-	495,741
Improvements other than buildings	2,690,063	455,665	-	3,145,728
Total accumulated depreciation	4,917,201	632,600	-	5,549,801
Business-type activities capital assets, net	$ 10,901,002	$ 5,551,360	$ 5,681,199	$ 10,771,163

NOTE 7 – CAPITAL LEASES

The County has entered into lease agreements as lessee for financing the acquisition and construction of various equipment costing $4,415,811. 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 $1,190,787 at June 30, 2018.

NOTE 7 – CAPITAL LEASES (Continued)

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, 2018:

Year ending June 30	
2019	$ 812,503
2020	510,243
2021	510,243
2022	250,728
Total minimum lease payments	2,083,717
Less amount representing interest	70,828
Present value of future minimum lease payments	$ 2,012,889

NOTE 8 – NOTES PAYABLE

Notes payable at June 30, 2018 consisted of the following:

	Governmental Activities
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.	$ 472,829

As of June 30, 2018, annual debt service requirements to maturity are as follows:

Year ending June 30	Governmental Activities		
	Principal	Interest	Total
2019	$ 25,869	$ 17,566	$ 43,435
2020	26,871	16,563	43,434
2021	27,913	15,521	43,434
2022	28,995	14,439	43,434
2023	30,119	13,315	43,434
2024-2028	169,049	48,124	217,173
2029-2033	164,013	13,348	177,361
	$ 472,829	$ 138,876	$ 611,705

NOTE 9 – BONDS PAYABLE

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

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

The principal and interest on the bonds are payable from SPLOST funds. As of June 30, 2018, annual debt service requirements for the bonds are as follows:

Year ending	Governmental Activities		
June 30	Principal	Interest	Total
2019	$ 2,095,000	$ 161,875	$ 2,256,875
2020	2,190,000	54,750	2,244,750
Total	$ 4,285,000	$ 216,625	$ 4,501,625

In October 2016, the County issued $7,360,000 in Association County Commissioners of Georgia Certificates of Participation, Series 2017, 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, 2018 through November 1, 2030, and interest is payable semiannually on November 1 and May 1 each year.

NOTE 9 – BONDS PAYABLE (Continued)

The principal and interest on the bonds are payable from income derived from the Aquatic Center. As of June 30, 2018, annual debt service requirements for the bonds are as follows:

Year ending June 30	Business-type Activities		
	Principal	Interest	Total
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	455,000	132,325	587,325
2024-2028	2,475,000	467,925	2,942,925
2029-2032	2,215,000	135,075	2,350,075
Total	$ 6,930,000	$1,390,150	$ 8,320,150

NOTE 10 – CHANGES IN LONG-TERM DEBT

Governmental Activities	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due In One Year
Bonds payable	$ 6,290,000	-	$ 2,005,000	$ 4,285,000	$ 2,095,000
Unamortized premium	361,073	-	193,327	167,746	-
Total bonds payable	6,651,073	-	2,198,327	4,452,746	2,095,000
Capital leases payable	1,697,168	$ 1,206,733	891,012	2,012,889	780,924
Notes payable	509,079	-	36,250	472,829	25,869
Compensated absences payable	787,110	-	60,808	726,302	145,260
Total Governmental Activities	$ 9,644,430	$ 1,206,733	$ 3,186,397	$ 7,664,766	$ 3,047,053
Business-Type Activities					
Bonds payable	$ 7,360,000	-	$ 430,000	$ 6,930,000	$ 440,000
Unamortized premium	298,848	-	29,190	269,658	-
Total bonds payable	7,658,848	-	459,190	7,199,658	440,000
Compensated absences payable	2,928	2,389	-	5,317	1,063
Total Business-Type Activities	$ 7,661,776	2,389	$ 459,190	$ 7,204,975	$ 441,063

NOTE 10 – CHANGES IN LONG-TERM DEBT (Continued)

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, 2018, governmental fund balances are composed of the following:

	General Fund	Grants	SPLOST 13	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	$ 844,508	-	-	$ 5,074	$ 849,582
Inventories	-	-	-	45,955	45,955
Total nonspendable	844,508	-	-	51,029	895,537
Restricted:					
Capital projects	-	$ 528,464	$ 4,843,538	2,957,649	8,329,651
Sheriff	-	-	-	32,175	32,175
Correctional facility	-	-	-	184,827	184,827
Airport	-	-	-	314,007	314,007
Public safety projects	-	-	-	-	-
Drug education	-	-	-	172,086	172,086
Jail	-	-	-	69,283	69,283
Urban fire district	-	-	-	100,752	100,752
Rural fire district	-	-	-	133,611	133,611
E-911 services	-	-	-	995,111	995,111
Roads	-	1,610,915	-	-	1,610,915
Greenspace project	19,888	-	-	-	19,888
Juvenile services	-	-	-	17,378	17,378
Recreation	54,618	-	-	-	54,618
Streetlight tax districts	-	-	-	30,022	30,022
Agricultural arena project	426,386	-	-	-	426,386
Total restricted	500,892	2,139,379	4,843,538	5,006,901	12,490,710
Unassigned	9,682,421	-	-	-	9,682,421
Total fund balances	$ 11,027,821	$ 2,139,379	$ 4,843,538	$ 5,057,930	$ 23,068,668

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, 2018, the County contributed $1,021,056 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.

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.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

Employee's Retirement System of Georgia

Bulloch County tax officials are covered under this retirement plan.

In the government-wide statement of activities, the County recognized $297,172 in revenue as support provided by nonemployer contributing entities. The amount was also recognized as expense in the appropriate functional expense category.

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, 2018 were $176,898. Contributions are fully vested to employees after 10 years of continuous service.

At June 30, 2018, the Board of Health reported $1,180,589 as a liability for its proportionate share of the net pension liabilities. For the year ended June 30, 2018, the Board of Health recognized pension expense of $198,299.

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-insurer for claims from one individual within one year exceeding $100,000 and has a maximum annual liability policy of $4,916,353.

The claims liability of $800,340 reported at June 30, 2018 represents known claims incurred on or prior to June 30, 2018 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
2016	$ 515,000	$ 3,522,015	$ 3,612,015	$ 425,000
2017	425,000	3,705,344	3,380,344	750,000
2018	750,000	3,981,455	3,931,115	800,340

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, 2018, 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, 2018 follows:

		Percentage of tax receipts
Lodging tax receipts	$ 9,117	
Disbursements to the:		
Statesboro Convention and Visitors Bureau for promotion of tourism	(6,929)	76.0%
Statesboro Arts Council for performing arts center	(1,732)	19.0%
County for administrative costs	(456)	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, 2018, the property tax abated by Bulloch County due to incentive agreements was $194,952.

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 27, 2018, which is the date the financial statements were available to be issued.

Bulloch County, Georgia
Combining Governmental Balance Sheet
Nonmajor Governmental Funds
Summary by Fund Type
June 30, 2018

	Special revenue funds	Capital projects funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 2,051,557	$ 3,317,976	$ 5,369,533
Receivables:			
Taxes	28,428	-	28,428
Intergovernmental	50,078	-	50,078
Other	199,319	458	199,777
Prepaid items	5,074	-	5,074
Inventories	45,955	-	45,955
Total assets	$ 2,380,411	$ 3,318,434	$ 5,698,845
LIABILITIES			
Accounts payable	$ 225,584	$ 360,785	586,369
Accrued payroll liabilities	30,127	-	30,127
Unearned revenue	3,011	-	3,011
Total liabilities	258,722	360,785	619,507
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	21,408	-	21,408
FUND BALANCES			
Nonspendable	51,029	-	51,029
Restricted	2,049,252	2,957,649	5,006,901
Total fund balances	2,100,281	2,957,649	5,057,930
Total liabilities, deferred inflows of resources, and fund balances	$ 2,380,411	$ 3,318,434	$ 5,698,845

Bulloch County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Summary by Fund Type
For the Year Ended June 30, 2018

	Special revenue funds	Capital projects funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	$ 1,740,666	-	$ 1,740,666
Charges for services	2,499,866	-	2,499,866
Fees, fines and forfeitures	264,597	-	264,597
Intergovernmental	12,212	-	12,212
Interest	36	$ 1,169	1,205
Other	136,487	100,000	236,487
Total revenues	4,653,864	101,169	4,755,033
EXPENDITURES			
Current:			
Judicial	1,055	-	1,055
Public safety	3,196,423	-	3,196,423
Public works	73,107	-	73,107
Airport	635,693	-	635,693
Housing and development	9,117	-	9,117
Debt service:			
Principal retirement	160,348	-	160,348
Interest	9,371	-	9,371
Capital outlay:			
Public safety	319,145	-	319,145
Recreation	-	2,317,956	2,317,956
Airport	3,510	46,820	50,330
Housing and development	-	25,759	25,759
Total expenditures	4,407,769	2,390,535	6,798,304
Excess (deficiency) of revenues over (under) expenditures	246,095	(2,289,366)	(2,043,271)
OTHER FINANCING SOURCES (USES)			
Transfers out	(106,340)	-	(106,340)
Sale of capital assets	6,761	-	6,761
Total other financing sources (uses)	(99,579)	-	(99,579)
Net change in fund balances	146,516	(2,289,366)	(2,142,850)
Fund balances - beginning	1,953,765	5,247,015	7,200,780
Fund balances - ending	$ 2,100,281	$ 2,957,649	$ 5,057,930

Bulloch County, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2018

	General Obligation Bond Fund	2002 SPLOST	2007 SPLOST	Total Nonmajor Capital projects funds
ASSETS				
Cash	$ 2,330,724	$ 884,902	$ 102,350	$ 3,317,976
Other Receivables	-	-	458	458
Total assets	$ 2,330,724	$ 884,902	$ 102,808	$ 3,318,434
LIABILITIES				
Accounts payable	$ 690	$ 360,095	$ -	$ 360,785
Total liabilities	690	360,095	-	360,785
FUND BALANCES				
Restricted	2,330,034	524,807	102,808	2,957,649
Total fund balances	2,330,034	524,807	102,808	2,957,649
Total liabilities and fund balances	$ 2,330,724	$ 884,902	$ 102,808	$ 3,318,434

Bulloch County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2018

	General Obligation Bond Fund	2002 SPLOST	2007 SPLOST	Total Nonmajor Capital projects funds
REVENUES				
Interest	$ 239	$ -	$ 930	$ 1,169
Other	-	-	100,000	100,000
Total revenues	239	-	100,930	101,169
EXPENDITURES				
Capital outlay:				
Culture/Recreation	-	2,317,956	-	2,317,956
Airport	-	-	46,820	46,820
Housing and Development	25,759	-	-	25,759
Total expenditures	25,759	2,317,956	46,820	2,390,535
Excess (deficiency) of revenues over (under) expenditures	(25,520)	(2,317,956)	54,110	(2,289,366)
Fund balances - beginning	2,355,554	2,842,763	48,698	5,247,015
Fund balances - ending	$ 2,330,034	$ 524,807	$ 102,808	$ 2,957,649

Bulloch County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Designated Special Projects	Jail Add-On Fee	Drug Education Fund	Juvenile Service Fund	E-911 Fund	BCCI Inmate Fund	Jail Inmate Phone Fund	Jail Commissary Fund
ASSETS								
Cash	$ 146,868	$ -	$ 178,843	$ 17,378	$ 896,641	$ 22,283	$ 36,015	$ 26,146
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	50,078	-	-	-
Other	15,676	-	-	-	154,321	-	8,392	-
Prepaid items	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Total assets	$ 162,544	$ -	$ 178,843	$ 17,378	$ 1,101,040	$ 22,283	$ 44,407	$ 26,146
LIABILITIES								
Accounts payable	$ -	$ -	$ 6,757	$ -	$ 83,623	$ -	$ 1,270	$ -
Accrued payroll liabilities	-	-	-	-	22,306	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	-	-	6,757	-	105,929	-	1,270	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	162,544	-	172,086	17,378	995,111	22,283	43,137	26,146
Total fund balances	162,544	-	172,086	17,378	995,111	22,283	43,137	26,146
Total liabilities, deferred inflows of resources, and fund balances	$ 162,544	$ -	$ 178,843	$ 17,378	$ 1,101,040	$ 22,283	$ 44,407	$ 26,146

Bulloch County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Sheriffs Confiscated Assets Fund	Sheriffs Fingerprint Fund	Airport	Tax Lighting Districts	Fire District	Rural Fire Fund	Hotel/Motel Fund	Total Nonmajor Special revenue funds
ASSETS								
Cash	$ 26,034	$ 23,262	$ 344,722	$ 35,218	$ 108,991	$ 185,873	$ 3,283	$ 2,051,557
Receivables:								
Taxes	-	-	-	-	-	27,553	875	28,428
Intergovernmental	-	-	-	-	-	-	-	50,078
Other	-	-	19,550	-	-	1,380	-	199,319
Prepaid items	-	-	5,074	-	-	-	-	5,074
Inventories	-	-	45,955	-	-	-	-	45,955
Total assets	$ 26,034	$ 23,262	$ 415,301	$ 35,218	$ 108,991	$ 214,806	$ 4,158	$ 2,380,411
LIABILITIES								
Accounts payable	$ 17,121	$ -	$ 43,351	$ 5,196	$ 8,239	$ 55,869	$ 4,158	$ 225,584
Accrued payroll liabilities	-	-	3,903	-	-	3,918	-	30,127
Unearned revenue	-	-	3,011	-	-	-	-	3,011
Total liabilities	17,121	-	50,265	5,196	8,239	59,787	4,158	258,722
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	-	-	-	21,408	-	21,408
FUND BALANCES								
Nonspendable	-	-	51,029	-	-	-	-	51,029
Restricted	8,913	23,262	314,007	30,022	100,752	133,611	-	2,049,252
Total fund balances	8,913	23,262	365,036	30,022	100,752	133,611	-	2,100,281
Total liabilities, deferred inflows of resources, and fund balances	$ 26,034	$ 23,262	$ 415,301	$ 35,218	$ 108,991	$ 214,806	$ 4,158	$ 2,380,411

Bulloch County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2018

	Designated Special Projects	Jail Add-On Fee	Drug Education Fund	Juvenile Service Fund	E-911 Fund	BCCI Inmate Fund	Jail Inmate Phone Fund	Jail Commissary Fund
REVENUES								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-	1,582,335	-	95,160	171,506
Fees, fines and forfeitures	-	110,031	141,952	1,300	-	-	-	-
Intergovernmental	-	-	-	-	-	9,800	-	-
Interest	-	-	-	-	-	1	-	-
Other	83,241	-	-	-	-	52,596	-	-
Total revenues	83,241	110,031	141,952	1,300	1,582,335	62,397	95,160	171,506
EXPENDITURES								
Current:								
Judicial	-	-	-	1,055	-	-	-	-
Public safety	10,145	110,031	82,811	-	1,340,736	38,550	53,802	76,774
Public works	-	-	-	-	-	-	-	-
Airport	-	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	160,348	-	-	-
Interest	-	-	-	-	9,371	-	-	-
Capital outlay:								
Public safety	54,150	-	68,320	-	64,949	16,111	33,848	79,067
Airport	-	-	-	-	-	-	-	-
Total expenditures	64,295	110,031	151,131	1,055	1,575,404	54,661	87,650	155,841
Excess (deficiency) of revenues over (under) expenditures	18,946	-	(9,179)	245	6,931	7,736	7,510	15,665
OTHER FINANCING SOURCES (USES)								
Transfers out	(5,500)	-	(2,000)	(200)	(38,000)	-	-	-
Sale of capital assets	-	-	-	-	6,761	-	-	-
Total other financing sources (uses)	(5,500)	-	(2,000)	(200)	(31,239)	-	-	-
Net change in fund balances	13,446	-	(11,179)	45	(24,308)	7,736	7,510	15,665
Fund balances - beginning	149,098	-	183,265	17,333	1,019,419	14,547	35,627	10,481
Fund balances - ending	$ 162,544	$ -	$ 172,086	$ 17,378	$ 995,111	$ 22,283	$ 43,137	$ 26,146

Bulloch County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2018

	Sheriffs Confiscated Assets Fund	Sheriffs Fingerprint Fund	Airport	Tax Lighting Districts	Fire District	Rural Fire Fund	Hotel/Motel Fund	Total Nonmajor Special revenue funds
REVENUES								
Taxes	$ -	$ -	$ -	$ 71,368	$ 976,381	$ 683,800	$ 9,117	$ 1,740,666
Charges for services	-	3,634	647,231	-	-	-	-	2,499,866
Fees, fines and forfeitures	11,314	-	-	-	-	-	-	264,597
Intergovernmental	-	-	2,412	-	-	-	-	12,212
Interest	35	-	-	-	-	-	-	36
Other	-	-	-	-	-	650	-	136,487
Total revenues	11,349	3,634	649,643	71,368	976,381	684,450	9,117	4,653,864
EXPENDITURES								
Current:								
Judicial	-	-	-	-	-	-	-	1,055
Public safety	12,825	721	-	-	975,176	494,852	-	3,196,423
Public works	-	-	-	73,107	-	-	-	73,107
Airport	-	-	635,693	-	-	-	-	635,693
Housing and development	-	-	-	-	-	-	9,117	9,117
Debt service:								
Principal retirement	-	-	-	-	-	-	-	160,348
Interest	-	-	-	-	-	-	-	9,371
Capital outlay:								
Public safety	-	-	-	-	-	2,700	-	319,145
Airport	-	-	3,510	-	-	-	-	3,510
Total expenditures	12,825	721	639,203	73,107	975,176	497,552	9,117	4,407,769
Excess (deficiency) of revenues over (under) expenditures	(1,476)	2,913	10,440	(1,739)	1,205	186,898	-	246,095
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	(2,000)	-	-	(58,640)	-	(106,340)
Sale of capital assets	-	-	-	-	-	-	-	6,761
Total other financing sources (uses)	-	-	(2,000)	-	-	(58,640)	-	(99,579)
Net change in fund balances	(1,476)	2,913	8,440	(1,739)	1,205	128,258	-	146,516
Fund balances - beginning	10,389	20,349	356,596	31,761	99,547	5,353	-	1,953,765
Fund balances - ending	$ 8,913	$ 23,262	$ 365,036	$ 30,022	$ 100,752	$ 133,611	$ -	$ 2,100,281

Bulloch County, Georgia
BCCI Designated Special Projects Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget
REVENUES			
Other	$ 65,000	$ 83,241	$ 18,241
EXPENDITURES			
Current:			
Public Safety	19,750	10,145	9,605
Capital outlay:			
Public Safety	97,200	54,150	43,050
Total expenditures	116,950	64,295	52,655
Excess (deficiency) of revenues over expenditures	(51,950)	18,946	70,896
OTHER FINANCING SOURCES (USES)			
Transfers out	(5,500)	(5,500)	-
Net change in fund balances	(57,450)	13,446	70,896
Fund balances - beginning	149,098	149,098	-
Fund balances - ending	$ 91,648	$ 162,544	$ 70,896

Bulloch County, Georgia
Jail Add-On Fee Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees, fines and forfeitures	$ 100,650	$ 110,031	$ 110,031	$ -
EXPENDITURES				
Current:				
Public Safety - Jail	100,650	110,031	110,031	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

Bulloch County, Georgia
Drug Education Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees, fines and forfeitures	$ 130,000	$ 130,000	$ 141,952	$ 11,952
Other	500	500	-	(500)
Total revenues	130,500	130,500	141,952	11,452
EXPENDITURES				
Current:				
Public Safety	73,975	82,811	82,811	-
Capital outlay:				
Public Safety	70,000	68,320	68,320	-
Total expenditures	143,975	151,131	151,131	-
Excess (deficiency) of revenues over expenditures	(13,475)	(20,631)	(9,179)	11,452
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,000)	(2,000)	(2,000)	-
Net change in fund balances	(15,475)	(22,631)	(11,179)	11,452
Fund balances - beginning	183,265	183,265	183,265	-
Fund balances - ending	$ 167,790	$ 160,634	$ 172,086	$ 11,452

Bulloch County, Georgia
Juvenile Services Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget
REVENUES			
Fees, fines and forfeitures	$ 1,500	$ 1,300	$ (200)
EXPENDITURES			
Current:			
Judicial	1,300	1,055	245
Excess (deficiency) of revenues over expenditures	200	245	45
OTHER FINANCING SOURCES (USES)			
Transfers out	(200)	(200)	-
Net change in fund balances	-	45	45
Fund balances - beginning	17,333	17,333	-
Fund balances - ending	$ 17,333	$ 17,378	$ 45

Bulloch County, Georgia
E-911 Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 1,297,190	$ 1,297,190	$ 1,582,335	$ 285,145
EXPENDITURES				
Current:				
Public Safety	1,332,104	1,340,736	1,340,736	-
Debt service:				
Principal retirement	169,719	160,348	160,348	-
Interest	-	9,371	9,371	-
Total debt service	169,719	169,719	169,719	-
Capital outlay:				
Public Safety	29,445	64,949	64,949	-
Total expenditures	1,531,268	1,575,404	1,575,404	-
Excess (deficiency) of revenues over expenditures	(234,078)	(278,214)	6,931	285,145
OTHER FINANCING SOURCES (USES)				
Transfers out	(30,000)	(38,000)	(38,000)	-
Sale of capital assets	-	-	6,761	6,761
Total other financing sources (uses)	(30,000)	(38,000)	(31,239)	6,761
Net change in fund balances	(264,078)	(316,214)	(24,308)	291,906
Fund balances - beginning	1,019,419	1,019,419	1,019,419	-
Fund balances - ending	$ 755,341	$ 703,205	$ 995,111	$ 291,906

Bulloch County, Georgia
BCCI Inmate Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	-	$ 9,800	$ 9,800	$ -
Interest	-	1	1	-
Vending commissions / other	-	52,596	52,596	-
Total revenues	-	62,397	62,397	-
EXPENDITURES				
Current:				
Public Safety	-	38,550	38,550	-
Capital outlay:				
Public Safety	-	16,111	16,111	-
Total expenditures	-	54,661	54,661	-
Excess (deficiency) of revenues over expenditures	-	7,736	7,736	-
Fund balances - beginning	$ 14,547	14,547	14,547	-
Fund balances - ending	$ 14,547	$ 22,283	$ 22,283	$ -

Bulloch County, Georgia
Jail Inmate Phone Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	-	$ 95,160	$ 95,160	$ -
EXPENDITURES				
Current:				
Public Safety	-	53,802	53,802	-
Capital outlay:				
Public Safety	-	33,848	33,848	-
Total expenditures	-	87,650	87,650	-
Excess (deficiency) of revenues over expenditures	-	7,510	7,510	-
Fund balances - beginning	$ 35,627	35,627	35,627	-
Fund balances - ending	$ 35,627	$ 43,137	$ 43,137	$ -

Bulloch County, Georgia
Jail Commissary Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	-	$ 171,506	$ 171,506	$ -
EXPENDITURES				
Current:				
Public Safety	-	76,774	76,774	-
Capital outlay:				
Public Safety	-	79,067	79,067	-
Total expenditures	-	155,841	155,841	-
Excess (deficiency) of revenues over expenditures	-	15,665	15,665	-
Fund balances - beginning	$ 10,481	10,481	10,481	-
Fund balances - ending	$ 10,481	$ 26,146	$ 26,146	$ -

Bulloch County, Georgia
Sheriffs Confiscated Assets Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees, fines and forfeitures	-	$ 263,889	$ 11,314	$ (252,575)
Interest	-	-	35	35
Total revenues	-	263,889	11,349	(252,540)
EXPENDITURES				
Current:				
Public Safety	-	263,889	12,825	251,064
Excess (deficiency) of revenues over expenditures	-	-	(1,476)	(1,476)
Fund balances - beginning	$ 10,389	10,389	10,389	-
Fund balances - ending	$ 10,389	$ 10,389	$ 8,913	$ (1,476)

Bulloch County, Georgia
Sheriffs Fingerprint Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	-	$ 2,800	$ 3,634	$ 834
EXPENDITURES				
Current:				
Public Safety	-	2,800	721	2,079
Excess (deficiency) of revenues over expenditures	-	-	2,913	2,913
Fund balances - beginning	$ 20,349	20,349	20,349	-
Fund balances - ending	$ 20,349	$ 20,349	$ 23,262	$ 2,913

Bulloch County, Georgia
Statesboro/Bulloch County Airport Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 583,600	$ 583,600	$ 647,231	$ 63,631
Intergovernmental	2,412	2,412	2,412	-
Total revenues	586,012	586,012	649,643	63,631
EXPENDITURES				
Current:				
Airport	577,152	635,693	635,693	-
Capital outlay:				
Airport	7,250	3,510	3,510	-
Total expenditures	584,402	639,203	639,203	-
Excess (deficiency) of revenues over expenditures	1,610	(53,191)	10,440	63,631
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,000)	(2,000)	(2,000)	-
Net change in fund balances	(390)	(55,191)	8,440	63,631
Fund balances - beginning	356,596	356,596	356,596	-
Fund balances - ending	$ 356,206	$ 301,405	$ 365,036	$ 63,631

Bulloch County, Georgia
Tax Lighting Districts Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget
REVENUES			
Taxes	$ 72,865	$ 71,368	$ (1,497)
EXPENDITURES			
Current:			
Public Works - street lighting	73,150	73,107	43
Excess (deficiency) of revenues over expenditures	(285)	(1,739)	(1,454)
Fund balances - beginning	31,761	31,761	-
Fund balances - ending	$ 31,476	$ 30,022	$ (1,454)

Bulloch County, Georgia
Urban Fire District Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget
REVENUES			
Taxes	$ 895,000	$ 976,381	$ 81,381
EXPENDITURES			
Current:			
Public Safety	879,200	975,176	(95,976)
Capital outlay:			
Public Safety	115,552	-	115,552
Total expenditures	994,752	975,176	19,576
Excess (deficiency) of revenues over expenditures	(99,752)	1,205	100,957
Fund balances - beginning	99,547	99,547	-
Fund balances - ending	$ (205)	$ 100,752	$ 100,957

Bulloch County, Georgia
Rural Fire Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 600,000	$ 600,000	$ 683,800	$ 83,800
Other	-	-	650	650
Total revenues	600,000	600,000	684,450	84,450
EXPENDITURES				
Current:				
Public Safety	478,471	494,852	494,852	-
Capital outlay:				
Public Safety	-	2,700	2,700	-
Total expenditures	478,471	497,552	497,552	-
Excess (deficiency) of revenues over expenditures	121,529	102,448	186,898	84,450
OTHER FINANCING SOURCES (USES)				
Transfers out	(58,640)	(58,640)	(58,640)	-
Net change in fund balances	62,889	43,808	128,258	84,450
Fund balances - beginning	5,353	5,353	5,353	-
Fund balances - ending	$ 68,242	$ 49,161	$ 133,611	$ 84,450

Bulloch County, Georgia
Hotel/Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget
REVENUES			
Taxes	$ 11,500	$ 9,117	$ (2,383)
EXPENDITURES			
Current:			
Housing and Development - Tourism	11,500	9,117	2,383
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	$ -	$ -	$ -

Bulloch County, Georgia
Combining Statement of Net Position
Internal Service Funds
June 30, 2018

	Employee Health Insurance Fund	Correctional Food Service Fund	Total
ASSETS			
Current assets:			
Cash	$ 2,626,239	$ 63,742	$ 2,689,981
Accounts receivable	359,787	-	359,787
Prepaid items	11,284	-	11,284
Total assets	2,997,310	63,742	3,061,052
LIABILITIES			
Current liabilities:			
Accounts payable	21,142	60,514	81,656
Accrued payroll liabilities	-	3,228	3,228
Claims payable	800,340	-	800,340
Total liabilities	821,482	63,742	885,224
NET POSITION			
Unrestricted	2,175,828	-	2,175,828
Total net position	$ 2,175,828	$ -	$ 2,175,828

Bulloch County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2018

	Employee Health Insurance Fund	Correctional Food Service Fund	Total
OPERATING REVENUES			
Charges for services	$ -	$ 963,817	$ 963,817
Premiums	4,851,178	-	4,851,178
Total operating revenues	4,851,178	963,817	5,814,995
OPERATING EXPENSES			
Salaries and benefits	4,868	110,653	115,521
Materials and supplies	-	844,813	844,813
Purchased/contracted services	566,824	8,351	575,175
Claims	3,981,455	-	3,981,455
Total operating expenses	4,553,147	963,817	5,516,964
Operating income (loss)	298,031	-	298,031
Transfers out	(127,350)	-	(127,350)
Change in net position	170,681	-	170,681
Total net position - beginning	2,005,147	-	2,005,147
Total net position - ending	$ 2,175,828	$ -	$ 2,175,828

Bulloch County, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2018

	Employee Health Insurance Fund	Correctional Food Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from internal charges	$ 4,851,178	$ 963,817	$ 5,814,995
Cash payments to employees for salaries and benefits	(4,868)	(110,766)	(115,634)
Cash payments for supplies and services	(561,515)	(845,500)	(1,407,015)
Cash payments for claims	(4,197,619)	-	(4,197,619)
Net cash provided (used) by operating activities	87,176	7,551	94,727
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	(127,350)	-	(127,350)
Net increase (decrease) in cash and cash equivalents	(40,174)	7,551	(32,623)
Cash and cash equivalents - beginning of year	2,666,413	56,191	2,722,604
Cash and cash equivalents - end of the year	$ 2,626,239	$ 63,742	$ 2,689,981
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income	$ 298,031	$ -	$ 298,031
Adjustments:			
(Increase) decrease in operating assets:			
Accounts receivable	(266,504)	-	(266,504)
Prepaid items	(1,218)	-	(1,218)
Increase (decrease) in operating liabilities:			
Accounts payable	6,527	7,664	14,191
Claims payable	50,340	-	50,340
Accrued payroll	-	(113)	(113)
Net cash provided (used) by operating activities	$ 87,176	$ 7,551	$ 94,727

Bulloch County, Georgia
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2018

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Emergency Medical Service	Bulloch County Correctional Institute	Probation	Total
ASSETS									
Cash	$ 128,951	$ 9,501	$ 527,403	$ 70,939	$ 248,399	$ -	$ 5,076	$ 97,171	$ 1,087,440
LIABILITIES									
Due to other entities and individuals	$ 128,951	$ 9,501	$ 527,403	$ 70,939	$ 248,399	$ -	$ 5,076	$ 97,171	$ 1,087,440

Bulloch County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Tax Commissioner				
Assets				
Cash	$ 131,377	$ 54,450,921	$ 54,453,347	$ 128,951
Liabilities				
Due to other entities and individuals	$ 131,377	$ 54,450,921	$ 54,453,347	$ 128,951
Probate Court				
Assets				
Cash	$ 9,349	$ 242,621	$ 242,469	$ 9,501
Liabilities				
Due to other entities and individuals	$ 9,349	$ 242,621	$ 242,469	$ 9,501
Clerk of Courts				
Assets				
Cash	$ 541,491	$ 3,639,649	$ 3,653,737	$ 527,403
Liabilities				
Due to other entities and individuals	$ 541,491	$ 3,639,649	$ 3,653,737	$ 527,403
Magistrate Court				
Assets				
Cash	$ 56,949	$ 1,192,915	$ 1,178,925	$ 70,939
Liabilities				
Due to other entities and individuals	$ 56,949	$ 1,192,915	$ 1,178,925	$ 70,939
Sheriff				
Assets				
Cash	$ 296,246	$ 1,860,419	$ 1,908,266	$ 248,399
Liabilities				
Due to other entities and individuals	$ 296,246	$ 1,860,419	$ 1,908,266	$ 248,399
Emergency Medical Service				
Assets				
Cash	$ -	$ 1,768,585	$ 1,768,585	$ -
Liabilities				
Due to other entities and individuals	$ -	$ 1,768,585	$ 1,768,585	$ -
Bulloch County Correctional Institute				
Assets				
Cash	$ 11,920	$ 166,248	$ 173,092	$ 5,076
Liabilities				
Due to other entities and individuals	$ 11,920	$ 166,248	$ 173,092	$ 5,076
Probation				
Assets				
Cash	$ 103,338	$ 1,218,863	$ 1,225,030	$ 97,171
Liabilities				
Due to other entities and individuals	$ 103,338	$ 1,218,863	$ 1,225,030	$ 97,171
Total Agency Funds				
Assets				
Cash	$ 1,150,670	$ 64,540,221	$ 64,603,451	$ 1,087,440
Liabilities				
Due to other entities and individuals	$ 1,150,670	$ 64,540,221	$ 64,603,451	$ 1,087,440

Bulloch County, Georgia
Schedule of Projects Paid with Special
Purpose Local Option Sales Tax Proceeds
For the Year Ended June 30, 2018

2002 SPLOST 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	578,477	578,477		578,477	100%
Public safety - Sheriff	1,000,000	1,089,060	1,089,060		1,089,060	100%
Public safety - Rural Fire	900,000	1,022,833	1,022,833		1,022,833	100%
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	628,658	628,658		628,658	100%
Agribusiness Center - County	6,100,000	4,917,400	2,074,399	$ 2,317,956	4,392,355	89%
Parks and recreation - County	7,000,000	6,891,138	6,891,138		6,891,138	100%
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	2,937,488	2,937,488		2,937,488	100%
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	263,674	263,674		263,674	100%
Water/sewer system - Statesboro	5,000,000	2,574,708	2,574,708		2,574,708	100%
City streets, etc. - Statesboro	5,000,000	4,356,069	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	139,567	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	3,450	3,450		3,450	100%
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	$ 48,738,155	$ 45,895,155	$ 2,317,956	$ 48,213,111	99%

Bulloch County, Georgia
Schedule of Projects Paid with Special
Purpose Local Option Sales Tax Proceeds
For the Year Ended June 30, 2018

2007 SPLOST 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 facilities 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	100%
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 facilities and equipment - County	1,200,000	1,458,490	1,458,490		1,458,490	100%
Airport facilities and equipment	700,000	553,743	506,923	46,820	553,743	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	$ 61,742,083	$ 61,676,752	$ 46,820	$ 61,723,572	100%

Bulloch County, Georgia
Schedule of Projects Paid with Special
Purpose Local Option Sales Tax
For the Year Ended June 30, 2018

2013 SPLOST 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	$ 4,181,232	$ 1,831,065	$ 6,012,297	41%
Solid waste - Air rights - Joint	10,775,000	10,775,000	6,584,721	1,795,833	8,380,554	78%
Elections equipment	150,000	150,000	29,447	399	29,846	20%
Solid waste facilities and equipment	3,100,000	3,100,000	634,897	257,865	892,762	29%
Public safety facilities and equipment	5,900,000	5,900,000	1,490,581	556,156	2,046,737	35%
Capital improvements to existing facilities	1,995,155	1,995,155	1,158,962	3,702	1,162,664	58%
Airport facilities and equipment	780,000	780,000	66,571	349,597	416,168	53%
Greenspace preservation	150,000	150,000	-	-	-	0%
Recreational facilities and equipment	4,600,000	4,600,000	494,573	661,104	1,155,677	25%
Economic development - Industrial park	9,000,000	9,000,000	4,059,305	2,246,850	6,306,155	70%
City of Statesboro	28,915,844	28,915,844	12,104,893	3,745,323	15,850,216	55%
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	$ 32,608,123	$ 11,447,894	$ 44,056,017	54%

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	$ 12,274,630
Less:	
Intergovernmental revenue	(398,966)
Capital lease proceeds spent	(427,770)
Total current year expenditures per above	$ 11,447,894

LANIER, DEAL & PROCTOR

CERTIFIED PUBLIC ACCOUNTANTS

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

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

MEMBERS
AMERICAN INSITUTE 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, 2018, which collectively comprise Bulloch County's basic financial statements and have issued our report thereon dated, December 27, 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described below that we consider to be a significant deficiency.

2018-1 Excess funds in the Magistrate Court Agency Fund

During our audit, we noted excess funds of $41,035 at June 30, 2018 that had not been disbursed. It was noted that monies received from Ncourt for probation payments via ACH, which had previously been received via check, were not properly recorded in the software beginning in September 2017. This caused an overage of cash and the County was due additional monies at June 30, 2018.

County response: We concur with this finding and the additional amount due to the County will be disbursed during fiscal year 2019.

Compliance and Other Matters

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

Bulloch County, Georgia's Response to Findings

Bulloch County, Georgia's response to the finding identified in our audit is described above. Bulloch County, Georgia's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Hanier, Deal + Proctor

Statesboro, Georgia
December 27, 2018