

BULLOCH COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Bulloch County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bulloch County, Georgia, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bulloch County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bulloch County Board of Health and the Development Authority of Bulloch County. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bulloch County, Georgia, as of June 30, 2009, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2010 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 5 through 19 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Thigpen, Lanier, Westerfield & Deal

February 17, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Bulloch County, Georgia's (the "County") annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2009. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County had total net assets (assets exceeded liabilities) of \$83,056,101 at 2009 fiscal year-end. That is \$3,096,383 higher than the total net assets of \$79,959,718 at 2008 fiscal year-end.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$61,011,901 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets. The figure for fiscal year 2008 was \$58,579,569. That is an increase of \$2,432,332 (or 4.2%) for fiscal year 2009.
 - (2) Net assets of \$14,213,047 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations. That is \$1,228,691 (or 8.0 %) less than the fiscal year 2008 amount of \$15,441,738.
 - (3) Unrestricted net assets of \$7,831,153 represent the portion available to maintain the County's continuing obligations to citizens and creditors. This is a \$1,892,742 (or 31.9 %) increase from the fiscal year 2008 total of \$5,938,411. Unrestricted net assets increased in fiscal year 2008 by \$1,160,044 (or 24.3%). *This increase of unrestricted net assets in fiscal year 2009 and fiscal year 2008 gives the County more financial flexibility and breaks the trend of decreasing unrestricted net assets.*
- The County's governmental funds reported total ending fund balance of \$20,458,377 in fiscal year 2009, compared to \$20,045,853 in fiscal year 2008. This is an increase of \$412,524 (or 2.0%). This was due to a \$1,595,991 increase in the general fund balance, \$6,230 decrease in SPLOST 97, \$2,506,574 decrease in SPLOST 02 (last revenue received in November 2007), \$1,650,882 increase in SPLOST 07 and \$321,545 decrease in Other Governmental Funds. The fiscal year 2008 ending fund balance showed a decrease of \$7,459,242 (or 27.1%). The unreserved fund balance of \$19,761,684 for fiscal year 2009 is a \$66,384 (or .3%) decrease from fiscal year 2008. Unreserved fund balance of \$19,828,068 for fiscal year 2008 was a \$7,351,855 (or 27.0%) decrease from the \$27,179,923 in fiscal year 2007.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$5,614,902 (or 19.3%) of total General Fund expenditures and net of other financing sources and uses. That compares to \$4,451,934 (or 15.5%) of total General Fund expenditures, net of other financing sources and uses in fiscal year 2008. Fiscal year 2007's unreserved fund balance for the General Fund was \$3,832,383 (or 15.0%) of total General Fund expenditures and net of other financing sources and uses.
- *Overall, the County is beginning to show a more positive operating financial position.* Overall, in Fiscal Year 2009, Bulloch County continued to make investment in capital assets and service delivery, while at the same time being under pressure to maintain optimal levels of financial strength and liquidity. During the 2009 fiscal year, Bulloch County's local economy began to decline consistent with the state and national recession. Bulloch County has experienced a structural budget deficit over the last several years. In Fiscal Year 2008, the Board of Commissioners adopted a general ad valorem property tax increase that included a five-year reserve stabilization plan for the General Fund. Bulloch County exceeded its goal in the first and second year of the five year stabilization plan by increasing the unreserved general fund balance in the amount of \$619,551 and \$1,162,968 respectively. The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

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

Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

The business-type activities are those that assess a charge or user fee to the customers they provide services to. These activities include the Aquatic Center and the Agribusiness Center. The County also has an internal service fund, which is a proprietary fund that accounts for employee paid premiums collected as revenues, and claims paid to a third party administrator for employee health insurance related expenses.

Fund Financial Statements

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

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Supplementary Information

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

During the fiscal year, the Board of Commissioners adopted by resolution several budget amendments, or revisions, to the original budget resolutions. As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in this section of this report beginning on page 50.

Financial Analysis of the County as a Whole

Financial Strength

As a part of examining the County's past financial trends, Bulloch County financial staff annually measure key financial ratios used by both the credit industry and the Government Finance Officers Association to determine liquidity and debt capacity. These ratios reflect the period ending June 30, 2009 for governmental activities. Below is a description of the indicators used.

Current Ratio: This is a measure of the County's ability to meet short-term debt obligations; the higher the ratio, the more liquid the entity is. Current ratio is equal to current assets divided by current liabilities. If the current assets of a county are more than twice the current liabilities, then that county is generally considered to have good short-term financial strength. If current liabilities exceed current assets, then the county may have problems meeting its short-term obligations.

Total Debt to Equity Ratio: This is a measure of the County's financial leverage calculated by dividing long-term debt by total net assets. It indicates what proportion of equity and debt the entity is using to finance its assets.

Working Capital (also called Net Current Assets): This is a measure of current assets minus current liabilities. Working capital measures how much in liquid assets the County has available for operations and growth. The number can be positive or negative, depending on how much debt is carried. In general, counties that have a lot of working capital will be more successful since they can expand and improve their operations and infrastructure. Counties with negative working capital may lack the funds necessary for growth.

Current Liabilities Ratio: Current liabilities are those obligations that are currently due at the end of a fiscal year plus the portion of long-term debt that will become due during the next fiscal year. Current liabilities include accounts payable, short-term debt, accrued liabilities, and current maturities of long-term debt.

Operating Position: This is a measure of the unrestricted balance or portion of net assets available, either in the General Fund, or in an enterprise fund as a percentage of annual operating revenue. This measure shows the ability to withstand financial emergencies or to accumulate funds for capital purchases without having to borrow.

Ratio of General Debt Outstanding: This measure is the amount of general obligation debt in the form of bonds backed by the full faith and credit of the government.

Debt Limit Ratio: Direct debt is bonded debt for which the local government has pledged its full faith and credit. This long-term debt indicator uses assessed valuation in the denominator and assumes that property

taxes are the primary source of debt repayment. This indicator does not include capital lease obligations since they are not “legal” debt.

Legal Debt Margin: This is the actual amount that which the local government can pledge its full faith and credit.

Net Overlapping Debt: The overlapping debt indicator measures the ability of the community’s tax base to repay the long-term general obligation debt obligations issued by all of its governmental and quasi-governmental jurisdictions. If other jurisdictions default, the community may have contingent, moral, or political obligations to assume the debt, provide the services, or both.

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

Financial Strength Ratios	2009 Governmental Activities	2008 Governmental Activities	Standard	2009 Adherence to Standard
Current Ratio	5.87	3.87	2.0 or >	Positive
Total Debt to Equity Ratio	0.089	.232	1.0 or <	Positive
Working Capital	\$18,893,167	\$18,694,879	NA	Positive
Current Liabilities Ratio	0.052	0.090	0.05 or <	Negative
Operating Position	0.249	0.191	0.25 or >	Negative
Ratio of General Debt Outstanding	0.0%	0.0%	0.0%	Positive
Debt Limit Ratio	0.0%	0.0%	0.0%	NA
Legal Debt Margin	100.0%	100.0%	100.0%	Positive
Net Overlapping Debt	\$56,966,000 (2)	\$72,770,000 (2)	NA	NA
Net Direct Long-Term Debt Per Capita	\$0.00	\$0.00	NA	NA

(1) NA - Not applicable.

(2) Bulloch County Board of Education – 100%.

Upon examining Bulloch County financial ratios against developed standards, it’s noted that with exception to current liabilities and operating position, the other ratios indicate favorable or positive financial strength. *It should be noted that the negative declining trend in Bulloch County’s current liabilities has improved this fiscal year and is near a positive rating. The negative declining trend in operating position has also improved this fiscal year and is near a positive rating.*

Summary of Net Assets

As noted earlier, Bulloch County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County implemented the new financial reporting model used in this report beginning with fiscal year 2003. As year-to-year financial information is accumulated on a consistent basis, changes in net assets will be observed and used to discuss the changing financial position of the County as a whole. The County had total net assets (assets exceeded liabilities) of \$83,056,101 at 2009 fiscal year-end compared to the fiscal year 2008 figure of \$79,959,718. The following table provides a summary of the County’s net assets:

	Summary of Net Assets							
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Percentage of Total</u>	
	2009	2008	2009	2008	2009	2008	2009	2008
Assets								
Current Assets	22,769,735	25,200,194	1,640,005	1,047,977	24,409,740	26,248,171	25.4%	26.6%
Capital Assets	60,667,516	65,294,686	11,180,077	7,247,025	71,847,593	72,541,711	74.6%	73.4%
Total Assets	83,437,251	90,494,880	12,820,082	8,295,002	96,257,333	98,789,882	100.0%	100.0%
Liabilities								
Current Liabilities	3,876,568	6,505,315	379,980	9,876	4,256,548	6,515,191	32.2%	34.6%
Long-Term Liabilities	4,843,876	12,314,973	4,100,808	-	8,944,684	12,314,973	67.8%	65.4%
Total Liabilities	8,720,444	18,820,288	4,480,788	9,876	13,201,232	18,830,164	100.0%	100.0%
Net Assets								
Invested in Capital Assets, Net of Debt	54,124,226	51,332,544	6,887,675	7,247,025	61,011,901	58,579,569	73.5%	73.3%
Restricted – Capital Projects	13,307,491	14,214,637	-	-	13,307,491	14,214,637	16.0%	17.8%
Restricted – Other Purposes	905,556	1,227,101	-	-	905,556	1,227,101	1.1%	1.5%
Unrestricted	6,379,534	4,900,310	1,451,619	1,038,101	7,831,153	5,938,411	9.4%	7.4%
Total Net Assets	74,716,807	71,674,592	8,339,294	8,285,126	83,056,101	79,959,718	100.0%	100.0%

The County reported positive balances in net assets for both governmental and business-type activities. Net assets for fiscal year 2009 increased by \$3,042,215 (or 4.2%) for governmental activities, and increased by \$54,168 (or 0.7%) for business-type activities.

Note that in fiscal year 2009 and in fiscal year 2008, respectively 72.4% and 71.6% of the governmental activities' net assets were tied up in capital assets. This documents that the County continues to invest adequately in the capital assets needed to provide services, while meeting its ongoing operating expenses. On the business type activities, the County has spent 82.6% in fiscal year 2009, and 87.4% in fiscal year 2008 of its net assets on capital. This is not unusual, as the County's business type activities are unique and very capital intensive operations. Expansion of these systems is necessary for the continued growth of these enterprises and their added value to the local economy. 73.5% in fiscal year 2009, and 73.3% in fiscal year 2008 of the County's total net assets were included in capital assets.

Summary of Changes in Net Assets
2009

2008

	Governmental Activities	Business Activities	Total	Percentage of Total	Governmental Activities	Business Activities	Total	Percentage of Total
Program Revenues								
Fees, Fines, Charges for Services	11,551,788	1,511,674	13,063,462	26.9%	10,695,540	1,326,109	12,021,649	25.6%
Operating Grants and Contributions	2,834,696	-	2,834,696	5.8%	2,971,637	-	2,971,637	6.3%
Capital Grants and Contributions	682,989	-	682,989	1.4%	989,841	-	989,841	2.1%
General Revenues								
Taxes	31,130,729	-	31,130,729	64.2%	30,078,664	-	30,078,664	64.0%
Other	805,750	10,408	816,158	1.7%	898,386	43,106	941,492	2.0%
Total Revenues	47,005,952	1,522,082	48,528,034	100.0%	45,634,068	1,369,215	47,003,283	100.0%
Program Expenses								
General Government	4,184,713	-	4,184,713	9.2%	3,938,676	-	3,938,676	8.1%
Judicial	3,077,261	-	3,077,261	6.8%	2,790,079	-	2,790,079	5.8%
Public Safety	16,551,316	-	16,551,316	36.4%	14,873,609	-	14,873,609	30.7%
Public Works	7,775,863	-	7,775,863	17.1%	8,667,629	-	8,667,629	17.9%
Sanitation	2,111,372	-	2,111,372	4.7%	2,090,817	-	2,090,817	4.3%
Health and Welfare	364,378	-	364,378	.8%	367,962	-	367,962	.8%
Libraries and Recreation	4,722,604	-	4,722,604	10.4%	4,241,270	-	4,241,270	8.8%
Airport	743,585	-	743,585	1.6%	714,193	-	714,193	1.5%
Housing and Development	1,043,499	-	1,043,499	2.3%	1,952,136	-	1,952,136	4.0%
Intergovernmental	2,822,183	-	2,822,183	6.2%	6,525,471	-	6,525,471	13.5%
Interest	631,963	-	631,963	1.4%	794,207	-	794,207	1.6%
Aquatic Center		1,220,443	1,220,443	2.7%		1,252,584	1,252,584	2.6%
Agribusiness Center		182,471	182,471	0.4%		176,466	176,466	0.4%
Total Expenses	44,028,737	1,402,914	45,431,651	100.0%	46,956,049	1,429,050	48,385,099	100.0%
Excess (Deficiency)	2,977,215	119,168	3,096,383		(1,321,981)	(59,835)	(1,381,816)	
Transfers	65,000	(65,000)	-		29,000	(29,000)	-	
Change in Net Assets	3,042,215	54,168	3,096,383		(1,292,981)	(88,835)	(3,168,058)	
Prior Period Adjustment			-				-	
Beginning Net Assets	71,674,592	8,285,126	79,959,718		72,967,573	8,373,961	81,341,534	
Ending Net Assets	74,716,807	8,339,294	83,056,101		71,674,592	8,285,126	79,959,718	

Governmental Activities: Revenues

Bulloch County is one of only eight counties out of 159 in Georgia that do not receive any of the 1% Local Option Sales Tax (LOST). A local Constitutional Amendment was passed by the Georgia General Assembly in the 1981 Session (Georgia Laws, 1981, p. 1931) which called for a referendum on the question of whether or not the local option sales tax should go to the Bulloch County Board of Education, with a dollar for dollar reduction in the school property tax. The referendum passed on November 2, 1982. Since that time, this money has gone to the Board of Education. Since most Georgia counties and cities negotiate a formula to distribute LOST proceeds among themselves, the absence of this availability puts Bulloch County's basic units of local government at a distinct disadvantage relative to almost all the other cities and counties in the state. Ultimately, it means that we have to rely more heavily on the local property tax and user fees than these other cities and counties. For example, if the county and municipal governments had split this approximately \$10,200,000 in local option sales taxes in fiscal year 2009, Bulloch County could have potentially realized \$5,100,000 in additional revenue.

However, Bulloch County and its municipalities do share the proceeds of a 1% Special Purpose Local Option Sales Tax (SPLOST), which has passed referendums successively in 1997 and 2002 for five-year

terms; and 2007 for a six-year term. At first glance it appears that the County is heavily reliant on sales taxes to support governmental operations. In fiscal year 2008, sales taxes of \$10,729,606 out of \$46,093,394 in total governmental funds revenues, or 23.3%, were received from the 2002 SPLOST and SPLOST 2007. However, all of that money was spent on capital outlay, not operating costs, as the SPLOST funds are earmarked by state law specifically for capital outlay only. Similarly, in fiscal year 2009, \$10,283,109 in sales taxes represented 22.0% of the \$46,831,204 in governmental funds revenues.

The County has been able to earn \$156,913 in fiscal year 2009, and \$945,753 in fiscal year 2008, in interest to support governmental activities. Also, note that program revenues covered 34.2% in fiscal year 2009, and 31.2% in fiscal year 2008 of governmental operating expenses. This means that the government's taxpayers and the other general revenues funded the remaining 65.8% in fiscal year 2009, and 68.8% in fiscal year 2008 of the governmental activities.

Property taxes are an important source of revenue to Bulloch County's General Fund. In fiscal year 2009, property tax revenues were \$17,853,390 (or 58.2% of total revenues), in fiscal year 2008, \$16,724,863 (or 57.4% of total revenues), and in fiscal year 2007, \$12,003,113 (or 49.5% of total revenues). This further illustrates the County's high dependence on property tax sources noted above.

Governmental Activities: Functional Expenses

Public safety is the county's largest functional cost, comprising 37.6% of the County's total governmental activity expenses and 36.4% of total County expenses. In fiscal year 2008, those figures were 31.7% and 30.7% respectively. In fiscal year 2009, general government totals 9.5% of the total governmental activity expense, and 9.2% of the total County expenses. In fiscal year 2008, general government totaled 8.4% of the total governmental activity expenses, and 8.1% of the total County expenses indicating the County's commitment to minimize the cost of administrative support services in favor of providing direct services to its citizens.

The following table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

	Governmental Activities			
	2009		2008	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General Government	4,184,713	(1,782,062)	3,938,676	(1,419,705)
Judicial	3,077,261	(2,558,950)	2,790,079	(2,208,538)
Public Safety	16,551,316	(8,612,828)	14,873,609	(8,806,824)
Public Works	7,775,863	(7,717,514)	8,667,629	(7,803,696)
Sanitation	2,111,372	(1,225,027)	2,090,817	(1,281,652)
Health and Welfare	364,378	(364,378)	367,962	(367,962)
Libraries and Recreation	4,722,604	(3,199,162)	4,241,270	(2,742,140)
Airport	743,585	(56,911)	714,193	408,944
Housing and Development	1,043,499	(788,286)	1,952,136	(1,557,780)
Intergovernmental	2,822,183	(2,022,183)	6,525,471	(5,725,471)
Interest	631,963	(631,963)	794,207	(794,207)
Total	44,028,737	(28,959,264)	46,956,049	(32,299,031)

For fiscal year 2009, all functions required a subsidy from general revenues comprising 65.8% of all expenses. For fiscal year 2008, all functions except the Airport required a subsidy from general revenues comprising 68.8% of all expenses.

Business-Type Activities: Revenues vs. Expenses

For fiscal year 2009, the aggregate operating revenues for the county enterprise funds were 14.0% above 2008 and operating expenses were 1.8% below fiscal year 2008. Within the total business type activities of the County, these activities reported aggregate operating income of \$108,760 compared to operating losses of \$102,941 in fiscal year 2008. However, after transfers in and out between other funds, these funds reported a combined income of \$54,168 in fiscal year 2009 compared to a loss of \$88,835 in fiscal year 2008.

Business-Type Activities: Operating Income (Loss)				
	2009		2008	
	Amount	Percent Change	Amount	Percent Change
Aquatic Center Fund	\$208,792	3587.4	(\$5,987)	(129.7%)
Agribusiness Center Fund	(\$100,032)	(3.2%)	(\$96,954)	(1.4%)

Operating income before transfers for the Aquatic Center Fund (Splash in the 'Boro) increased significantly in fiscal year 2009 with operating revenues increasing 14.6%, while operating expenses decreased 2.6%, resulting in a 3587.4% increase in annual operating income.

The operating income for the Agribusiness Center Fund decreased slightly in fiscal year 2009 as operating revenues increased 3.7%, while operating expenses before depreciation increased by 6.0%, resulting in a 3.2% increase in its annual operating loss. The current operations consist of rental income to help support the 30,000 square foot office complex which houses several agribusiness related governmental entities. The rental is largely subsidized to the extent that direct operating expenses are covered, and depreciation is not factored into rental prices. However, as the future development of the Phase II mixed-use arena proceeds, it is expected that within three years a new stream of revenue will be established which will aid in improving fund solvency.

The County also began transferring resources from the business-type activities beginning in fiscal year 2006. \$65,000 was transferred out of the Aquatic Center Fund to the general fund in 2009. The County transfers resources between its business-type funds and its governmental funds for the following reasons:

- The County has developed a formula based allocation for charges to its enterprise funds that take the form of transfers out of these funds to help cover the costs of overhead services from the General Fund or other governmental funds. These costs include the various staff departments, such as personnel, finance, purchasing, and records, as well as part of the County Manager's time. If these enterprise funds were privately owned, the County would be entitled to property taxes on the property in service, net of accumulated depreciation, similar to other private service providers. These transfers are made in lieu of property taxes.
- Periodically, capital improvements or investments must be made to enhance the use by the customers and occupants of these facilities. Where appropriated, the Board of Commissioners makes available budgeted resources for transfers into these enterprise funds from the Special Purpose Local Option Sales Tax for these enhancements. This relieves subsidies from property tax payers who commit resources through the General Fund. Because at least one-third of all sales taxes are generated from consumers living outside of Bulloch County, these consumers in fact provide additional tax relief for county taxpayers who may otherwise have to commit local dollars toward the improvement of these facilities.
- Since the County's taxpayers are in fact the investors who started and financed these operations, they are being rewarded with a comparable return on equity in the form of lower property taxes. This return can be made while still maintaining fee or user charges that are at or below the market prices offered by comparable private companies.

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

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$20,458,377 in fiscal year 2009, compared to \$20,045,853 in fiscal year 2008, and \$27,505,095 in fiscal year 2007. Of these year-end totals, \$19,761,684 in fiscal year 2009, \$19,828,068 in fiscal year 2008, and \$27,179,923 in fiscal year 2007 was unreserved indicating availability for continuing County service requirements.

The total ending fund balances of governmental funds show a increase in fiscal year 2009 of \$412,524 (2.0 %) compared to an decrease in fiscal year 2008 of \$7,459,242 (or 27.1%).

Total taxes in governmental funds were \$1,167,289 or 3.9% higher than in fiscal year 2008. The major change was due to an increase in property taxes (6.7% increase; \$1,128,527) and a decrease in SPLOST revenue collections (4.2% decrease; \$446,497). Charges for services showed strength by increasing in fiscal year 2009 to \$8,673,091 from \$7,564,534 (or 14.6%).

The governmental funds' expenditures decreased by \$6,367,156, or 11.7%, in fiscal year 2009, compared to an increase of \$10,310,820, or 23.3%, in fiscal year 2008. The fiscal year 2009 decrease was due to a lesser investment in capital outlays than in fiscal year 2008. The fiscal year 2009 decrease is related to a decrease in capital expenses in all divisions except general government and sanitation and a decrease in SPLOST funds collected.

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

Major Governmental Funds

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$1,595,991 in fiscal year 2009 and increased by \$507,660 in fiscal year 2008. This increase in fund balance in fiscal year 2009 and 2008 breaks a trend of a long-term structural budget deficit where operating revenues and transfers in have been insufficient in keeping up with operating expenses and transfers out.

The Proprietary Funds

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

Internal Service Fund

The Employee Insurance Internal Service Fund had a decrease in net assets of \$187,019 for the year ended June 30, 2009 because of a increase in claims paid and an slight increase in premiums collected compared to fiscal year 2008. Claims expense increased \$482,749 or 22.8% during fiscal year 2009. This fund had ending net assets of \$254,318 at June 30, 2009 compared to \$441,337 at the end of fiscal year 2008.

Agency Funds

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

Budgetary Highlights

The General Fund – Overall, the County recognized revenues equal to \$30,665,892 or 103.8% of the budgeted revenues in the appropriated budget. Overall, the County recognized expenditures equal to \$25,535,763 or 98.1% of the budgeted expenditures in the appropriated budget.

On the revenue side of the budget, charges for services and fines and forfeitures were considerably higher than the budgeted amount.

On the expenditure side, the most significant budget amendments were in the Public Safety function, particularly in the Sheriff and Emergency Medical Service departments.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2009 was \$60,667,516 and \$11,180,077 respectively, for a total of \$71,847,593. That compares to fiscal year 2008 numbers of \$65,294,686 and \$7,247,025 respectively, for a total of \$72,541,711.

The fiscal year 2009 totals in this net investment decreased by 7.1% for governmental activities and increased by 54.3% for business-type activities. The overall decrease was 1.0% for the County as a whole. The decrease in the governmental activities investment is explained below. *See Note 7* for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Capital Assets				Total	
	Governmental Activities		Business Activities		2009	2008
	2009	2008	2009	2008		
Non-depreciable Assets						
Land	2,624,488	2,616,988	329,177	329,177	2,953,665	2,946,165
Construction in Progress	857,778	3,897,197	-	-	857,778	3,897,197
Total Non-Depreciable	3,482,266	6,514,185	329,177	329,177	3,811,443	6,843,362
Depreciable Assets						
Buildings	37,806,246	36,717,787	7,042,188	6,647,188	44,848,434	43,364,975
Improvements Other Than Buildings	4,693,748	4,575,057	4,946,968	1,179,703	9,640,716	5,754,760
Machinery and Equipment	16,799,482	17,870,448	558,428	455,197	17,357,910	18,325,645
Infrastructure	113,577,453	111,006,621	-	-	113,577,453	111,006,621
Total Depreciable Assets	172,876,929	170,169,913	12,547,584	8,282,088	185,424,513	178,452,001
Less Accumulated Depreciation	115,691,679	111,389,412	1,696,684	1,364,240	117,388,363	112,753,652
Book Value: Depreciable Assets	57,185,250	58,780,501	10,850,900	6,917,848	68,036,150	65,698,349
Percentage Depreciated	66.9%	65.5%	13.5%	16.5%	63.3%	63.2%
Total Book Value	60,667,516	65,294,686	11,180,077	7,247,025	71,847,593	72,541,711

The County began reporting its governmental infrastructure constructed each year in fiscal year 2003. The major increase in infrastructure between fiscal year 2009 and fiscal year 2008 is the addition or improvement of roads.

The increase in the Business Activities assets is primarily due to the expansion of the Aquatic Center.

In the County's business type activities, 13.5% of the asset values were depreciated at June 30, 2009, compared to 16.5% for fiscal year 2008.

At June 30, 2009, the depreciable capital assets for governmental activities were 66.9% depreciated. This percentage is greater than the fiscal year 2008 amount of 65.5%. *This indicates, that overall, the County is replacing capital assets at a rate that is below depreciation expense. The County has decreased replacing or improving infrastructure, machinery, equipment and infrastructure because of the recession.*

Long-term Debt

The governmental activities reported capital leases of \$5,939,571, a net decrease of \$7,348,439 or 55.3% from 2008. The notes payable for the water and sewer for Phase I of Gateway Regional Industrial Park were reduced by \$58,832, or 12.1% to \$485,984. The balance on the note for the Fletcher Property was \$117,735 at year end. Compensated absences increased by \$39,892 or 8.3% in fiscal year 2009 to \$523,345.

Long-Term Debt Obligations

	Governmental Activities		Business-Type		Totals	
	2009	2008	2009	2008	2009	2008
Capital Leases	5,939,571	13,288,010			5,939,571	13,288,010
Notes Payable	603,719	674,132	4,292,402		4,896,121	674,132
Compensated Absences	519,652	479,760	3,693	3,603	523,345	483,363
Total	7,062,942	14,441,902	4,296,095	3,603	11,359,037	14,445,505

With the exception noted in overlapping debt for the Bulloch County Board of Education, Bulloch County has no existing general obligation debt. For both governmental and business type-activities, ***Bulloch County has \$10,835,692 of outstanding long-term debt in the form of capital leases and notes payable***, less compensated absences. Since 1994, the county has entered into various capital lease agreements for equipment. As they exist, they are expected to be paid off by 2021. There are two notes payable to the Georgia Environmental Facilities Authority. The first note has outstanding principal amount of \$485,984 with maturity occurring in 2016. This note was for the construction of a water tank and water line extensions at Gateway Industrial Park whereby the City of Statesboro reimburses the County for each payment. The second note has an outstanding principal amount of \$117,735 with maturity occurring in 2018. This note is for the acquisition of property for the future Fletcher Memorial Recreation Park. The largest obligation in the amount of \$4,292,402 resides in the current Aquatic Center Expansion which took place during 2009.

In sum, the greater reliance on capital leasing for machinery and equipment is the result of the abandonment of a prior practice whereby operating departments previously escrowed machinery and equipment replacement needs through a General Fund sub-account, and further symptomatic of the structural budget deficit previously described which restricts available cash flow for "pay-as-you-go" expensing. However, while it is likely that lease financing will continue to be used when practical and advantageous to the County, the Reserve Stabilization Plan includes a provision to accumulate and designate 10% of escrowed funds for pay-as-you-go purchases.

Economic Conditions Affecting the County

According to key economic indicators, the 2009 fiscal year saw Bulloch County's local economy begin to decline consistent with the state and national recession. From a long-term perspective, the national and state economies may be significantly affected by many factors, including a growing national debt and trade deficit, monetary issues and health care costs, inflation, increased demands on Social Security as baby-boomers near retirement, a certain downturn of the housing market, threat/acts of terrorism and geopolitical instability in the Middle East.

Guarded optimism best describes Bulloch County's current economic outlook. In the first half of Calendar Year 2010, the County will realize stagnant economic growth compared to last year's dramatic decline, followed by mild growth in the second half of the year and into 2011. Yet, Georgia Southern University continues its steady planned enrollment and campus expansion. Bulloch County also continued its commitment to nurture existing industry and businesses that complement its existing business mix, while also planning for new strategies for developing economic incentives for businesses. Both Briggs and Stratton and Viracon have stable manufacturing operations in Bulloch County. The Wal-Mart Distribution Center remains the most active high-volume warehousing center of its kind within the corporation. The six-year old county-operated Splash in the 'Boro Aquatic Center had an outstanding record season after a \$4.1 million expansion drawing over 60 percent of its nearly 140,000 annual customers from outside Bulloch County. Finally, being on the boundary of the Savannah metropolitan area offers advantages to Bulloch County from a regional perspective. The Savannah MSA is poised to be among the state's fastest recovering regions in 2010, especially in the economic sectors related to job growth, tourism, retail, real

estate and finance, information services and the expanding activity of the Port of Savannah which will spur the construction of additional warehouse space for processing for import-export distribution.

In order for Bulloch County to retain its excellent quality of life advantages, the community will have to address many critical issues on its horizon. These issues include the likelihood of gradual shifting within the County's economic base as windfall tax revenues from industrial growth during the last decade is offset from increasing growth in the retail, services and construction sectors. Another challenge is to continue industrial growth because of intense competition by other communities in the region for new economic development projects.

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

- Population growth remains at a steady annual growth level of 2.0% +/-, Bulloch County population in April 2008 is estimated at 67,671. The 2000 Census enumerated a county population of 55,983.
- The Consumer Price Index for the Urban South Consumers decreased from 7.4% to (-2.9)% between June 30, 2008 and June 30, 2009, largely as the result of the cooling of higher prices for energy and construction activities.
- The unemployment rate for Bulloch County in June 2009 was 9.6%, which was above the level of at 6.1% the year before, but below the State average unemployment rate of 10.1%.
- The county's employed workforce decreased from 31,689 to 29,035 from June 2008 to June 2009, a 8.2% decrease.
- The ad valorem tax rate for Fiscal Year 2009 remained at 10.44 mills.
- Per capita income for Bulloch County has increased from \$21,302 in 2007 to \$22,110 in 2008, or 4.0%, which was still below the inflation rate.
- County business activity is mixed. County sales taxes collections in FY 2009 decreased by 4.3% from \$10,729,606 to \$10,283,109, compared to \$10,568,124 in FY 2007.
- Single-family building permits decreased dramatically in Bulloch County and its municipalities from 615 units in Calendar Year 2008 to 365 units in 2009.
- Model based estimates indicate that the poverty rate in Bulloch County has increased from 19.5% in 2004 to 23.1% in 2008.

Despite some mixed results, Bulloch County has a growing population and economy influenced by a strong industrial base, a growing regional public university and medical center with increasing medical specialties, a regional retail base and potential spin-off growth from the greater Savannah area. The manufacturing and wholesale sectors show promise for long-term future growth. The completed installation of new water and sewer lines and expansion and widening of the A.J. Riggs secondary access road in Phase II of the Gateway Regional Industrial Park, will give the County's Development Authority over 300 acres of immediately marketable land for industrial expansion. Our short-term projection going forward is that the statewide economy will continue to moderate, but virtually all segments of the local and regional economy, with the possible exception of construction which is in apparent decline, will experience some marginal overall growth in fiscal year 2010.

Summary

In summary, at the close of June 30, 2009, Bulloch County government currently has adequate and favorable financial strength, liquidity, a strong capital asset base and minimal debt, comparable to other counties of its size in Georgia.

The operating position, particularly in the key General Fund, is beginning to rebound from a declining position. Unreserved fund balance was \$9.7 million at the close of fiscal year 2001, \$4.1 million at the close of fiscal year 2007 and 5.6 million at the close of fiscal year 2009. The last two fiscal years has shown improvement with recurring revenues being sufficient to meet recurring expenditures.

In the last several fiscal years, the County has attempted to restrict expenditure growth by reducing or eliminating employee wage increases and deferring or eliminating certain operating and capital expenditures. To leverage cash flow, the County instituted limited purchases of needed machinery and

equipment through capital or operating leases. Several County departments also raised fees and users charges where discretion prevailed, to cover the full cost of providing the service. Furthermore, the County has consolidated and centralized administrative functions such as human resources and purchasing, and has audited operations for better efficiencies. However, the increasing demand for services by local citizens, unfunded mandates from higher levels of government for additional services, and extraordinary inflation in gasoline and construction prices have offset some of these austerity measures.

In Fiscal Year 2008, the Board of Commissioners adopted a general ad valorem property tax increase that included a five-year reserve stabilization plan for the General Fund. Bulloch County exceeded its goal in the first and second year of the five year stabilization plan by increasing the unreserved general fund balance in the amount of \$619,551 and \$1,162,968 respectively.

<i>Proposed Five-Year Reserve Stabilization Plan</i>						
Fiscal Year	2008	2009	2010	2011	2012	2013
Projected Escrow Funds (\$)	406,000	780,000	811,000	844,000	877,000	912,000
Actual Escrow	619,551	1,162,968				
FYE Fund Balance (\$ in mil.)	4.452	5.614	5.687	6.531	7.408	8.320
Projected Budget (\$ in mil.)	29.14	29.53	31.2	32.45	33.75	35.1
FYE Fund Balance Ratio (%)	15.3	19.0	18.2	20.1	21.9	23.7

Upon passage of the proposed tax increase, the County will adopt a reserve stabilization plan for the next five fiscal years to rebuild the General Fund balance to approximate the ideal level of 25% of revenues. The County will be looking at four key implementation items in fiscal years 2010 to improve both general efficiency and financial reporting. They are:

- Initiate an electronic timekeeping system to improve the accuracy and operation of payroll services.
- Utilize the aforementioned initiatives to progress toward true fund accounting and a full fledged modified accrual accounting system.
- Continue to improve the consolidated purchasing function initiated in FY 2007 which includes the task of entering encumbrances electronically into the accounting system, thus, giving more accurate monthly financial reporting.

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

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

James. H. Starling
Chief Financial Officer

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

BULLOCH COUNTY, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2009

				Component Units	
	Governmental Activities	Business-type Activities	Total	Bulloch County Board of Health	Development Authority of Bulloch County
ASSETS					
Current Assets:					
Cash	\$ 18,891,347	\$ 1,870,899	\$ 20,762,246	\$ 1,185,451	\$ 3,861,443
Receivables:					
Taxes	623,528	-	623,528	-	-
Intergovernmental	2,004,656	-	2,004,656	67,822	-
Internal balances	230,894	(230,894)	-	-	-
Other	322,162	-	322,162	-	5,427
Due from primary government	-	-	-	-	14,172
Prepaid items	662,741	-	662,741	-	-
Inventories	34,407	-	34,407	-	-
Total Current Assets	22,769,735	1,640,005	24,409,740	-	-
Capital Assets:					
Nondepreciable capital assets	3,482,266	329,177	3,811,443	-	4,883,424
Depreciable capital assets, net	57,185,250	10,850,900	68,036,150	125,146	3,703,600
Total Capital Assets	60,667,516	11,180,077	71,847,593	125,146	8,587,024
Total Assets	83,437,251	12,820,082	96,257,333	1,378,419	12,468,066
LIABILITIES					
Current Liabilities:					
Accounts payable	970,241	162,873	1,133,114	3,275	1,385
Accrued payroll	102,134	-	102,134	-	-
Accrued interest payable	51,874	21,820	73,694	-	-
Unearned revenue	64,058	-	64,058	-	497,112
Due to component unit	14,172	-	14,172	-	-
Claims payable	262,205	-	262,205	-	-
Other liabilities	192,818	-	192,818	-	-
Compensated absences payable	103,930	3,693	107,623	64,797	-
Capital leases payable	2,041,275	-	2,041,275	-	-
Notes payable	73,861	191,594	265,455	-	-
Total Current Liabilities	3,876,568	379,980	4,256,548	68,072	498,497
Long-Term Liabilities:					
Compensated absences payable (net of current portion)	415,722	-	415,722	-	-
Capital leases payable (net of current portion)	3,898,296	-	3,898,296	-	-
Notes payable (net of current portion)	529,858	4,100,808	4,630,666	-	-
Total Long-Term Liabilities	4,843,876	4,100,808	8,944,684	-	-
Total Liabilities	8,720,444	4,480,788	13,201,232	68,072	498,497
NET ASSETS					
Invested in capital assets, net of related debt	54,124,226	6,887,675	61,011,901	125,146	8,587,024
Restricted for:					
Capital projects	13,307,491	-	13,307,491	-	-
Other purposes	905,556	-	905,556	474,768	-
Unrestricted	6,379,534	1,451,619	7,831,153	710,433	3,382,545
Total Net Assets	\$ 74,716,807	\$ 8,339,294	\$ 83,056,101	\$ 1,310,347	\$ 11,969,569

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Program/Function	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units		
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	Bulloch County Board of Health	Development Authority of Bulloch County
Primary Government									
Governmental Activities									
General government	\$ 4,184,713	\$ 784,675	\$ 1,617,976	-	\$ (1,782,062)	-	\$ (1,782,062)	-	-
Judicial	3,077,261	505,643	12,668	-	(2,558,950)	-	(2,558,950)	-	-
Public safety	16,551,316	7,488,135	73,024	\$ 377,329	(8,612,838)	-	(8,612,838)	-	-
Public works	7,775,863	58,349	-	-	(7,717,514)	-	(7,717,514)	-	-
Sanitation	2,111,372	417,361	226,834	242,150	(1,225,027)	-	(1,225,027)	-	-
Health and welfare	364,378	-	-	-	(364,378)	-	(364,378)	-	-
Recreation	4,187,854	1,515,668	7,774	-	(2,664,412)	-	(2,664,412)	-	-
Libraries	534,750	-	-	-	(534,750)	-	(534,750)	-	-
Airport	743,585	612,353	10,811	63,510	(56,911)	-	(56,911)	-	-
Housing and development	1,043,499	169,604	85,609	-	(788,286)	-	(788,286)	-	-
Intergovernmental	2,822,183	-	800,000	-	(2,022,183)	-	(2,022,183)	-	-
Interest	631,963	-	-	-	(631,963)	-	(631,963)	-	-
Total governmental activities	44,028,737	11,551,788	2,834,696	682,989	(28,959,264)	-	(28,959,264)	-	-
Business-type Activities									
Aquatic Center	1,220,443	1,429,235	-	-	-	\$ 208,792	208,792	-	-
Agribusiness Center	182,471	82,439	-	-	-	(100,032)	(100,032)	-	-
Total business-type activities	1,402,914	1,511,674	-	-	-	108,760	108,760	-	-
Total - Primary Government	\$ 45,431,651	\$ 13,063,462	\$ 2,834,696	\$ 682,989	(28,959,264)	108,760	(28,850,504)	\$ (38,017)	\$ 993,339
Component Units:									
Bulloch County Board of Health	\$ 1,788,858	\$ 467,372	\$ 1,283,469	-	-	-	-	\$ (38,017)	\$ -
Development Authority of Bulloch County	372,950	1,166,329	200,000	-	-	-	-	-	993,339
Total Component Units	\$ 2,161,848	\$ 1,633,701	\$ 1,483,469	-	-	-	(38,017)	\$ -	\$ 993,339
General Revenues									
Property taxes levied for:									
General purposes					17,866,272	-	17,866,272	-	-
Fire protection					506,316	-	506,316	-	-
Streetlight tax districts					45,646	-	45,646	-	-
Sales taxes					10,283,109	-	10,283,109	-	-
Insurance premium tax					1,561,828	-	1,561,828	-	-
Other taxes					867,558	-	867,558	-	-
Gain on sale of capital assets					144,579	-	144,579	-	-
Interest earned					156,913	10,408	167,321	-	121,040
Miscellaneous					504,258	-	504,258	-	41,287
Total General Revenues					31,936,479	10,408	31,946,887	-	162,327
Transfers					65,000	(65,000)	-	-	-
Total General Revenues and Transfers					32,001,479	(54,592)	31,946,887	-	162,327
Change in Net Assets					3,042,215	54,168	3,096,383	(38,017)	1,155,666
Net Assets Beginning of Year					71,674,592	8,285,126	79,959,718	1,348,364	10,813,903
Net Assets End of Year					\$ 74,716,807	\$ 8,339,294	\$ 83,056,101	\$ 1,310,347	\$ 11,969,569

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	General	SPLOST 97	SPLOST 02	SPLOST 07	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 5,065,636	\$ 710,289	\$ 8,516,717	\$ 3,151,302	\$ 988,886	\$ 18,432,830
Receivables:						
Taxes	600,712	-	-	-	22,816	623,528
Intergovernmental	409,845	-	-	1,377,556	217,255	2,004,656
Other	7,633	-	2,020	-	244,477	254,130
Due from other funds	716,855	-	-	-	24,810	741,665
Prepaid items	585,204	-	45,224	-	9,214	639,642
Inventories	-	-	-	-	34,407	34,407
TOTAL ASSETS	\$ 7,385,885	\$ 710,289	\$ 8,563,961	\$ 4,528,858	\$ 1,541,865	\$ 22,730,858
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 466,212	\$ 1,891	\$ 161,421	\$ 97,222	\$ 243,495	\$ 970,241
Accrued payroll	91,458	-	-	-	10,676	102,134
Due to other funds	24,810	-	70,682	119,177	262,977	477,646
Due to component unit	14,172	-	-	-	-	14,172
Deferred revenue	435,742	-	-	-	79,728	515,470
Other	153,385	-	-	-	39,433	192,818
TOTAL LIABILITIES	1,185,779	1,891	232,103	216,399	636,309	2,272,481
FUND BALANCES						
Reserved for prepaid items	585,204	-	45,224	-	9,214	639,642
Reserved for Jones Nature Trail and for Memorial funds	-	-	-	-	57,051	57,051
Unreserved:						
Undesignated, reported in:						
General fund	5,614,902	-	-	-	-	5,614,902
Special revenue funds	-	-	-	-	839,291	839,291
Capital projects funds	-	708,398	8,286,634	4,312,459	-	13,307,491
TOTAL FUND BALANCES	6,200,106	708,398	8,331,858	4,312,459	905,556	20,458,377
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,385,885	\$ 710,289	\$ 8,563,961	\$ 4,528,858	\$ 1,541,865	\$ 22,730,858

See accompanying note to the basic financial statements.

BULLOCH COUNTY, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009

Total Governmental Fund Balances \$ 20,458,377

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

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds:

Cost	\$ 176,359,195	
Less accumulated depreciation	<u>(115,691,679)</u>	60,667,516

Other long-term assets are not available to pay for current
period expenditures and therefore are deferred in the funds:

Property taxes		451,412
----------------	--	---------

Interfund receivables and payables between governmental funds
are reported on the fund balance sheet but eliminated on the
government-wide statement of net assets:

Interfund receivables	\$ 496,665	
Interfund payables	<u>(496,665)</u>	-

The internal service fund is used by management to charge the costs
of the employee health self insurance program to individual funds.
Certain assets and liabilities of the internal service fund are included
in the governmental activities column in the statement of net assets

254,318

Liabilities, including capital leases, notes payable and compensated
absences 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 assets:

Accrued interest payable	(51,874)	
Capital leases payable	\$ (5,939,571)	
Notes payable	(603,719)	
Compensated absences	<u>(519,652)</u>	<u>(7,114,816)</u>

Net Assets Of Governmental Activities \$ 74,716,807

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	General	SPLOST 97	SPLOST 02	SPLOST 07	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 20,270,082	-	-	\$ 10,283,109	\$ 547,369	\$ 31,100,560
Licenses and permits	386,151	-	-	-	-	386,151
Charges for services	5,091,704	-	-	-	3,581,387	8,673,091
Fees, fines and forfeitures	1,802,299	-	-	-	317,150	2,119,449
Intergovernmental	2,559,327	-	\$ 33,562	-	924,796	3,517,685
Interest	52,071	\$ 5,613	50,732	35,028	13,469	156,913
Other	504,258	-	-	-	373,097	877,355
Total revenues	<u>30,665,892</u>	<u>5,613</u>	<u>84,294</u>	<u>10,318,137</u>	<u>5,757,268</u>	<u>46,831,204</u>
EXPENDITURES						
Current:						
General government	3,862,427	-	-	-	-	3,862,427
Judicial	2,867,550	-	-	-	7,591	2,875,141
Public safety	13,023,351	-	-	-	2,070,467	15,093,818
Public works	2,817,706	-	-	-	38,342	2,856,048
Sanitation	-	-	-	-	1,939,446	1,939,446
Health and welfare	273,405	-	-	-	-	273,405
Recreation	-	-	-	-	3,757,197	3,757,197
Libraries	526,544	-	-	-	-	526,544
Airport	-	-	-	-	626,960	626,960
Housing and development	975,863	-	-	-	12,694	988,557
Capital outlay						
General government	-	-	98,986	-	-	98,986
Public safety	-	-	209,315	84,587	811,386	1,105,288
Sanitation	-	11,843	236,662	-	242,150	490,655
Public works	-	-	1,187,920	-	-	1,187,920
Recreation	-	-	237,950	-	60,133	298,083
Airport	-	-	21,258	-	29,947	51,205
Housing and development	-	-	28,631	-	-	28,631
Debt service:						
Principal	293,277	-	1,179,644	6,975,757	69,053	8,517,731
Interest	95,640	-	111,345	440,244	19,485	666,714
Intergovernmental	800,000	-	855,516	1,166,667	-	2,822,183
Total expenditures	<u>25,535,763</u>	<u>11,843</u>	<u>4,167,227</u>	<u>8,667,255</u>	<u>9,684,851</u>	<u>48,066,939</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,130,129</u>	<u>(6,230)</u>	<u>(4,082,933)</u>	<u>1,650,882</u>	<u>(3,927,583)</u>	<u>(1,235,735)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	73,000	-	-	-	3,672,288	3,745,288
Transfers out	(3,614,038)	-	-	-	(66,250)	(3,680,288)
Proceeds from capital leases	-	-	1,098,879	-	-	1,098,879
Sale of capital assets	6,900	-	477,480	-	-	484,380
Total other financing sources (uses)	<u>(3,534,138)</u>	<u>-</u>	<u>1,576,359</u>	<u>-</u>	<u>3,606,038</u>	<u>1,648,259</u>
NET CHANGE IN FUND BALANCES	<u>1,595,991</u>	<u>(6,230)</u>	<u>(2,506,574)</u>	<u>1,650,882</u>	<u>(321,545)</u>	<u>412,524</u>
FUND BALANCES, JULY 1, 2008	<u>4,604,115</u>	<u>714,628</u>	<u>10,838,432</u>	<u>2,661,577</u>	<u>1,227,101</u>	<u>20,045,853</u>
FUND BALANCES, JUNE 30, 2009	<u>\$ 6,200,106</u>	<u>\$ 708,398</u>	<u>\$ 8,331,858</u>	<u>\$ 4,312,459</u>	<u>\$ 905,556</u>	<u>\$ 20,458,377</u>

See accompanying notes to the basic financial statements

BULLOCH COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Net Change In Fund Balances - Total Governmental Funds		\$ 412,524
 Amounts reported for governmental activities in the statement of activities are different because:		
 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 outlay exceeded depreciation expense in the current period.		
	Depreciation expense	\$ (7,345,332)
	Capital outlay	<u>3,057,963</u> (4,287,369)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
	Property taxes:	
	Deferred @ 6/30/09	451,412
	Deferred @ 6/30/08	<u>(421,243)</u> 30,169
 Elimination of transfers between governmental funds:		
	Transfers in	3,680,288
	Transfers out	<u>(3,680,288)</u> -
 Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.		
		(339,801)
 The internal service fund used by management to charge the costs of the employee health insurance program to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.		
		(187,019)
 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.		
		(1,098,879)
 Repayment of notes and capital leases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		8,517,731
 Some expenses reported in the statement of activities, such as accrued interest payable and compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>(5,141)</u>
Change In Net Assets of Governmental Activities		<u>\$ 3,042,215</u>

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 17,947,150	\$ 17,837,150	\$ 17,853,390	\$ 16,240
Alcoholic beverage	205,000	205,000	238,727	33,727
Insurance premium	1,555,000	1,555,000	1,561,828	6,828
Other	458,250	568,250	616,137	47,887
Licenses and permits	449,500	449,500	386,151	(63,349)
Charges for services	4,188,000	4,188,000	5,091,704	903,704
Fines and forfeitures	1,468,000	1,468,000	1,802,299	334,299
Intergovernmental	2,536,600	2,536,600	2,559,327	22,727
Interest	233,000	233,000	52,071	(180,929)
Other	493,600	493,600	504,258	10,658
Total revenues	<u>29,534,100</u>	<u>29,534,100</u>	<u>30,665,892</u>	<u>1,131,792</u>
EXPENDITURES				
Current:				
General government:				
Governing body	131,000	131,000	127,976	3,024
County manager	272,000	272,000	270,655	1,345
County clerk	81,300	81,300	67,834	13,466
Financial administration	447,000	447,000	447,000	-
Staff attorney	145,600	170,600	169,047	1,553
Human resources	88,000	88,000	78,762	9,238
Public relations	42,500	47,500	46,368	1,132
General administration fees	73,000	73,000	39,956	33,044
Elections	185,430	213,430	212,227	1,203
General government buildings	631,000	682,000	660,929	21,071
Risk management/General insurance	515,000	515,000	429,969	85,031
Tax assessor	580,850	608,046	608,046	-
Geographic information system	138,300	138,300	115,739	22,561
Tax commissioner	606,300	606,300	587,919	18,381
Total general government	<u>3,937,280</u>	<u>4,073,476</u>	<u>3,862,427</u>	<u>211,049</u>
Judicial:				
Clerk of Courts	734,200	779,200	777,749	1,451
Superior Court	249,000	256,000	254,125	1,875
State Court	216,925	216,925	212,881	4,044
State Court Solicitor	176,100	176,100	163,157	12,943
District Attorney	287,500	315,500	313,669	1,831
Indigent defense	319,685	353,685	351,998	1,687
Magistrate Court	555,950	555,950	534,544	21,406
Probate Court	253,200	261,000	259,427	1,573
Total judicial	<u>2,792,560</u>	<u>2,914,360</u>	<u>2,867,550</u>	<u>46,810</u>
Public safety:				
Animal control	85,880	85,880	83,545	2,335
Animal shelter	258,100	298,100	296,189	1,911
Coroner	50,000	56,800	55,864	936
County correctional	1,741,100	1,558,700	1,523,525	35,175
Public safety administration	146,700	151,700	150,307	1,393
Probation	458,900	471,900	470,457	1,443
Emergency medical service	1,894,100	2,146,100	2,144,478	1,622
Jail	4,204,000	4,054,000	4,015,314	38,686
Rescue	30,800	30,800	14,817	15,983
Sheriff	3,508,000	3,718,000	3,712,400	5,600
Vice control	405,000	405,000	385,721	19,279
Court security/Sheriff	180,000	180,000	170,734	9,266
Total public safety	<u>12,962,580</u>	<u>13,156,980</u>	<u>13,023,351</u>	<u>133,629</u>

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Public works:				
Roads	\$ 2,460,800	\$ 2,476,123	\$ 2,476,123	-
Fleet maintenance	303,500	343,000	341,583	\$ 1,417
Total public works	<u>2,764,300</u>	<u>2,819,123</u>	<u>2,817,706</u>	<u>1,417</u>
Health and welfare:				
Health department	166,000	166,000	166,000	-
Other health and welfare	125,870	126,870	107,405	19,465
Total health and welfare	<u>291,870</u>	<u>292,870</u>	<u>273,405</u>	<u>19,465</u>
Libraries	517,500	526,600	526,544	56
	<u>517,500</u>	<u>526,600</u>	<u>526,544</u>	<u>56</u>
Housing and development:				
Agricultural resources	171,700	171,700	168,244	3,456
Building inspections	324,630	324,630	293,638	30,992
Planning and zoning	157,250	197,250	193,334	3,916
Code enforcement	63,300	63,900	62,861	1,039
Economic development	245,130	259,130	257,786	1,344
Total housing and development	<u>962,010</u>	<u>1,016,610</u>	<u>975,863</u>	<u>40,747</u>
Debt service:				
Principal	480,905	330,905	293,277	37,628
Interest	104,465	97,595	95,640	1,955
Total debt service	<u>585,370</u>	<u>428,500</u>	<u>388,917</u>	<u>39,583</u>
Intergovernmental - Bulloch County Board of Education	800,000	800,000	800,000	-
Total expenditures	<u>25,613,470</u>	<u>26,028,519</u>	<u>25,535,763</u>	<u>492,756</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>3,920,630</u>	<u>3,505,581</u>	<u>5,130,129</u>	<u>1,624,548</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	123,300	123,300	73,000	(50,300)
Transfers out	(3,553,300)	(3,665,300)	(3,614,038)	51,262
Sale of capital assets	19,900	19,900	6,900	(13,000)
Total other financing sources (uses)	<u>(3,410,100)</u>	<u>(3,522,100)</u>	<u>(3,534,138)</u>	<u>(12,038)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 510,530</u>	<u>\$ (16,519)</u>	<u>1,595,991</u>	<u>\$ 1,612,510</u>
FUND BALANCE, BEGINNING OF YEAR			<u>4,604,115</u>	
FUND BALANCE, END OF YEAR			<u>\$ 6,200,106</u>	

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Aquatic Center	Agribusiness Center	Total	Employee Insurance Fund
ASSETS				
Current Assets				
Cash	\$ 1,857,781	\$ 13,118	\$ 1,870,899	\$ 458,517
Accounts receivable	-	-	-	68,032
Prepaid expense	-	-	-	23,099
Due from other funds	14,106	-	14,106	-
Total Current Assets	<u>1,871,887</u>	<u>13,118</u>	<u>1,885,005</u>	<u>549,648</u>
Noncurrent Assets				
Capital Assets				
Land	73,305	255,872	329,177	-
Buildings and improvements	9,028,512	2,960,644	11,989,156	-
Machinery and equipment	554,742	3,686	558,428	-
Less accumulated depreciation	(1,247,469)	(449,215)	(1,696,684)	-
Total Capital Assets	<u>8,409,090</u>	<u>2,770,987</u>	<u>11,180,077</u>	<u>-</u>
Total Assets	<u>10,280,977</u>	<u>2,784,105</u>	<u>13,065,082</u>	<u>549,648</u>
LIABILITIES				
Current Liabilities				
Accounts payable	154,083	8,790	162,873	-
Accrued interest payable	21,820	-	21,820	-
Note payable	191,594	-	191,594	-
Claims payable	-	-	-	262,205
Compensated absences payable	3,513	180	3,693	-
Due to other funds	245,000	-	245,000	33,125
Total Current Liabilities	<u>616,010</u>	<u>8,970</u>	<u>624,980</u>	<u>295,330</u>
Long-Term Liabilities				
Note payable (net of current portion)	4,100,808	-	4,100,808	-
Total Liabilities	<u>4,716,818</u>	<u>8,970</u>	<u>4,725,788</u>	<u>295,330</u>
NET ASSETS				
Invested in capital assets	4,116,688	2,770,987	6,887,675	-
Unrestricted	1,447,471	4,148	1,451,619	254,318
Total Net Assets	<u>\$ 5,564,159</u>	<u>\$ 2,775,135</u>	<u>\$ 8,339,294</u>	<u>\$ 254,318</u>

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Aquatic Center	Agribusiness Center	Total	Employee Insurance Fund
OPERATING REVENUES				
Charges for services	\$ 1,429,235	-	\$ 1,429,235	-
Premiums	-	-	-	\$ 2,903,105
Rents	-	\$ 82,439	82,439	-
Total operating revenues	<u>1,429,235</u>	<u>82,439</u>	<u>1,511,674</u>	<u>2,903,105</u>
OPERATING EXPENSES				
Administration	964,899	105,571	1,070,470	500,021
Depreciation	255,544	76,900	332,444	-
Claims	-	-	-	2,595,391
Total operating expenses	<u>1,220,443</u>	<u>182,471</u>	<u>1,402,914</u>	<u>3,095,412</u>
OPERATING INCOME (LOSS)	208,792	(100,032)	108,760	(192,307)
NON-OPERATING REVENUE				
Interest income	<u>10,408</u>	<u>-</u>	<u>10,408</u>	<u>5,288</u>
INCOME (LOSS) BEFORE TRANSFERS	219,200	(100,032)	119,168	(187,019)
TRANSFERS OUT	<u>(65,000)</u>	<u>-</u>	<u>(65,000)</u>	<u>-</u>
CHANGE IN NET ASSETS	154,200	(100,032)	54,168	(187,019)
NET ASSETS, JULY 1, 2008	<u>5,409,959</u>	<u>2,875,167</u>	<u>8,285,126</u>	<u>441,337</u>
NET ASSETS, JUNE 30, 2009	<u>\$ 5,564,159</u>	<u>\$ 2,775,135</u>	<u>\$ 8,339,294</u>	<u>\$ 254,318</u>

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Aquatic Center	Agribusiness Center	Total	Employee Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,429,235	\$ 82,439	\$ 1,511,674	\$ 2,903,105
Cash payments to employees for services	(457,548)	(40,580)	(498,128)	-
Cash payments for goods and services	(353,268)	(62,384)	(415,652)	(523,120)
Cash payments for claims	-	-	-	(2,809,372)
Net cash provided (used) by operating activities	<u>618,419</u>	<u>(20,525)</u>	<u>597,894</u>	<u>(429,387)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from (to) other funds	126,413	-	126,413	16,125
Transfers out	(65,000)	-	(65,000)	-
Net cash provided (used) by noncapital financing activities	<u>61,413</u>	<u>-</u>	<u>61,413</u>	<u>16,125</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from note payable	4,400,000	-	4,400,000	-
Principal paid on note payable	(107,598)	-	(107,598)	-
Capitalized interest paid on note payable	(117,333)	-	(117,333)	-
Purchase of capital assets	(4,126,343)	-	(4,126,343)	-
Net cash provided (used) by capital and related financing activities	<u>48,726</u>	<u>-</u>	<u>48,726</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	10,408	-	10,408	5,288
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	738,966	(20,525)	718,441	(407,974)
CASH AND CASH EQUIVALENTS, JULY 1, 2008	1,118,815	33,643	1,152,458	866,491
CASH AND CASH EQUIVALENTS, JUNE 30, 2009	\$ 1,857,781	\$ 13,118	\$ 1,870,899	\$ 458,517
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 208,792	\$ (100,032)	\$ 108,760	\$ (192,307)
Adjustments:				
Depreciation	255,544	76,900	332,444	-
(Increase) decrease in operating assets:				
Accounts receivable	-	-	-	52,355
Prepaid items	-	-	-	(23,099)
Increase (decrease) in operating liabilities:				
Accounts payable	154,083	2,517	156,600	-
Claims payable	-	-	-	(266,336)
Compensated absences	-	90	90	-
Net cash provided (used) by operating activities	<u>\$ 618,419</u>	<u>\$ (20,525)</u>	<u>\$ 597,894</u>	<u>\$ (429,387)</u>

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2009

ASSETS

Cash	<u>\$ 1,029,338</u>
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LIABILITIES

Due to other entities and individuals	<u>\$ 1,029,338</u>
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See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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:

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

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets 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 assets 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 assets presents the financial position of the governmental and business-type activities of the County and its discretely presented component units.

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

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

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

SPLOST 97, SPLOST 02, and SPLOST 07 Funds – These funds account 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 assets, financial position and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The following are the County's major enterprise funds:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Agribusiness Center – This fund accounts for the activities associated with the operation of the Agribusiness Center building owned by the County.

Fiduciary Funds – Fiduciary fund reporting focuses on net assets. 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 assets. 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 assets. The statements of changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

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

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

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

Deferred revenue is reported at the fund financial reporting level but reclassified as “*unearned revenue*” on the government-wide statement of net assets, where applicable.

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 Assets

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.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 assets, 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 assets.

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, 2009, 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 reserved 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 assets but does not report these assets in the County fund financial statements. Capital assets utilized by proprietary funds are reported both in the

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

business-type activities column of the government-wide statement of net assets and in proprietary funds' statement of net assets.

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 three thousand dollars. The County's infrastructure consists of roads and bridges. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by enterprise funds is capitalized.

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:

<u>Description</u>	<u>Estimated Lives</u>
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.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 assets.”

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management’s intent to set aside these resources for specific services.

Net Assets – Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, 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 assets 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. All other net assets are reported as unrestricted.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for the use of the Aquatic Center, rents collected for the Agribusiness Center, and premiums collected for the employee insurance 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).

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

All budgets are adopted on a basis consistent with GAAP.

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

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

All unexpended annual appropriations lapse at year-end.

Excess of Expenditures Over Appropriations

No expenditures exceeded appropriations for the year ended June 30, 2009.

Deficit Fund Balance

The Rural Fire Protection Fund had a deficit fund balance of \$479,683 at June 30, 2009 which the County plans to eliminate with future fire tax revenue and operating transfers from the general fund.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – DEPOSITS

June 30, 2009, the carrying amount of the County's deposits (checking and certificates of deposit) was \$21,791,584 and the bank balance was \$23,541,289. Of the bank balance, \$2,391,541 was covered by federal depository insurance, \$21,149,748 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 \$3,861,443 and the bank balance was \$3,847,799 of which \$750,532 was covered by federal depository insurance and \$3,097,267 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 \$1,233,096, which were all 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, 2009, property taxes were levied on August 8, 2008, and were due December 1, 2008.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2009 is as follows:

Receivable Fund	Payable Fund	Amount	
General	E-911	\$ 136,150	
	SPLOST 02	70,682	
	Streetlight Tax Districts	5,227	
	SPLOST 07	119,177	
	Jail Add-On Fee	107,359	
	Hotel/Motel Tax	135	
	Aquatic Center	245,000	
	Employee Insurance	33,125	
	Parks and Recreation	General	24,810
		Aquatic Center	14,106
Total		\$ 755,771	

Interfund balances at June 30, 2009 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, 2009, consisted of the following:

Transfers To:	Transfers From:			Total
	General Fund	Non-major Governmental Funds	Aquatic Center	
Parks and Recreation Fund	\$ 2,264,656	-	-	\$ 2,264,656
Solid Waste Fund	1,314,382	-	-	1,314,382
General Fund	-	\$ 8,000	\$ 65,000	73,000
Other Non-major Governmental Funds	35,000	58,250	-	93,250
Total	\$ 3,614,038	\$ 66,250	\$ 65,000	\$ 3,745,288

Transfers from the general fund are used primarily to help fund deficits in special revenue funds. Transfers to the general fund from other funds represent reimbursements for indirect costs paid by the general fund.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance 7/1/2008	Additions	Deductions	Balance 6/30/2009
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,616,988	\$ 7,500	-	\$ 2,624,488
Construction in progress	3,897,197	487,097	\$ 3,526,516	857,778
Total capital assets not being depreciated	<u>6,514,185</u>	<u>494,597</u>	<u>3,526,516</u>	<u>3,482,266</u>
Capital assets being depreciated:				
Buildings	36,717,787	1,088,459	-	37,806,246
Improvements other than buildings	4,575,057	147,970	29,279	4,693,748
Machinery and equipment	17,870,448	2,302,392	3,373,358	16,799,482
Infrastructure	111,006,621	2,570,832	-	113,577,453
Total capital assets being depreciated	<u>170,169,913</u>	<u>6,109,653</u>	<u>3,402,637</u>	<u>172,876,929</u>
Total capital assets	<u>176,684,098</u>	<u>6,604,250</u>	<u>6,929,153</u>	<u>176,359,195</u>
Accumulated depreciation:				
Buildings	8,597,415	989,342	-	9,586,757
Improvements other than buildings	1,458,564	204,731	12,136	1,651,159
Machinery and equipment	11,473,144	1,980,184	3,030,929	10,422,399
Infrastructure	89,860,289	4,171,075	-	94,031,364
Total accumulated depreciation	<u>111,389,412</u>	<u>7,345,332</u>	<u>3,043,065</u>	<u>115,691,679</u>
Governmental activities capital assets, net	<u>\$ 65,294,686</u>	<u>\$ (741,082)</u>	<u>\$ 3,886,088</u>	<u>\$ 60,667,516</u>

Governmental activities depreciation expense:

General government	\$ 229,316
Judicial	181,491
Public safety	1,234,318
Public works	4,974,660
Sanitation	143,836
Health and welfare	119,217
Recreation	295,066
Libraries	8,206
Airport	136,726
Housing and development	<u>22,496</u>
Total governmental activities depreciation expense	<u>\$ 7,345,332</u>

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2009 for the County's enterprise funds was as follows:

	Balance 7/1/2008	Additions	Deductions	Balance 6/30/2009
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 329,177	-	-	\$ 329,177
Capital assets being depreciated:				
Buildings	6,647,188	395,000	-	7,042,188
Improvements other than buildings	1,179,703	3,767,265	-	4,946,968
Machinery and equipment	455,197	103,231	-	558,428
Total capital assets being depreciated	<u>8,282,088</u>	<u>4,265,496</u>	<u>-</u>	<u>12,547,584</u>
Total capital assets	<u>8,611,265</u>	<u>4,265,496</u>	<u>-</u>	<u>12,876,761</u>
Accumulated depreciation:				
Buildings	862,233	198,095	-	1,060,328
Machinery and equipment	177,558	53,235	-	230,793
Improvements other than buildings	324,449	81,114	-	405,563
Total accumulated depreciation	<u>1,364,240</u>	<u>332,444</u>	<u>-</u>	<u>1,696,684</u>
Business-type activities capital assets, net	<u>\$ 7,247,025</u>	<u>\$ 3,933,052</u>	<u>-</u>	<u>\$ 11,180,077</u>

NOTE 7 – CAPITAL LEASES

The County has entered into lease agreements as lessee for financing the acquisition and construction of various equipment and buildings costing \$16,444,988. 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.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

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, 2009:

<u>Year ending June 30</u>	
2010	2,282,115
2011	2,059,028
2012	1,287,158
2013	170,098
2014	654,444
2015	42,444
Total minimum lease payments	<u>6,495,287</u>
Less amount representing interest	<u>555,716</u>
Present value of future minimum lease payments	<u>\$ 5,939,571</u>

NOTE 8 – NOTES PAYABLE

Notes payable at June 30, 2009 consisted of two notes payable to the Georgia Environmental Facilities Authority (GEFA) for expenditures incurred related to the construction of a water tank and the extension of water and sewer lines to the Gateway Industrial Park and for the acquisition of property for the future Fletcher Memorial Recreation Park and a note payable to Sea Island Bank related to the expansion of the Aquatic Center. The GEFA loan relative to the water tank and extension of water and sewer lines requires quarterly payments of \$21,042, including interest at 5.12 percent through January 1, 2016. The County has entered into an agreement with the City of Statesboro by which the City has agreed to reimburse the County for each required payment on this GEFA loan. The loan had an outstanding balance of \$485,984 at June 30, 2009. The GEFA loan relative to the Fletcher property requires monthly payments of \$1,278, including interest at 3 percent through March 1, 2018. This loan had an outstanding balance of \$117,735 at June 30, 2009. The note payable relative to the Aquatic center expansion requires bi-annual installment payments of \$224,931 including interest at 6 percent through December 1, 2023. This loan had an outstanding balance of \$4,292,402 at June 30, 2009.

As of June 30, 2009, annual debt service requirements to maturity are as follows:

Year ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 73,861	\$ 27,078	\$ 100,939	\$ 191,594	\$ 258,269	\$ 449,863
2011	77,455	23,484	100,939	203,426	246,437	449,863
2012	81,230	19,709	100,939	215,358	234,505	449,863
2013	85,193	15,747	100,940	229,290	220,573	449,863
2014	89,354	11,585	100,939	243,450	206,413	449,863
2015-2019	196,626	10,565	207,191	1,461,668	787,646	2,249,314
2020-2024	-	-	-	1,747,616	276,766	2,024,382
	<u>\$ 603,719</u>	<u>\$ 108,168</u>	<u>\$ 711,887</u>	<u>\$ 4,292,402</u>	<u>\$ 2,230,609</u>	<u>\$ 6,523,011</u>

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – CHANGES IN LONG-TERM DEBT

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009	Amounts Due In One Year
Governmental Activities					
Compensated absences payable	\$ 479,760	\$ 39,892	-	\$ 519,652	\$ 103,930
Capital leases payable	13,288,010	1,098,879	\$ 8,447,318	5,939,571	2,041,275
Notes payable	674,132	-	70,413	603,719	73,861
Total Governmental Activities	<u>\$14,441,902</u>	<u>\$ 1,138,771</u>	<u>\$ 8,517,731</u>	<u>\$ 7,062,942</u>	<u>\$ 2,219,066</u>
Business-Type Activities					
Compensated absences payable	\$ 3,603	\$ 90	-	\$ 3,693	\$ 3,693
Notes payable	-	\$ 4,400,000	\$ 107,598	4,292,402	191,594
Total Business-Type Activities	<u>\$ 3,603</u>	<u>\$ 4,400,090</u>	<u>\$ 107,598</u>	<u>\$ 4,296,095</u>	<u>\$ 195,287</u>

The compensated absences liability will be paid from the fund from which the employees' salaries are paid which is primarily the General Fund and the Parks and Recreation special revenue fund for governmental activities and the Aquatic Center for the business-type activities. The capital lease obligations will be paid from the General Fund and the SPLOST 02 and SPLOST 07 capital projects funds. Notes payable will be paid from the General Fund and the SPLOST 02 capital projects fund for governmental activities and the Aquatic Center for the business-type activities.

NOTE 10 – EMPLOYEE RETIREMENT PLANS

Defined Contribution Plan

Effective November 1, 1994, the County adopted the Bulloch County Retirement Plan. The plan is administered by CBIZ Insurance and Benefits Services, 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, 2009, the County contributed \$741,241 or 6.5% of eligible salaries to the plan.

* Probate Judges' 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.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – EMPLOYEE RETIREMENT PLANS (Continued)

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.

Bulloch County Board of Health (component unit)

The employees of the Bulloch County Board of Health participate in the Georgia State Employees Retirement System. The plan is administered by the State of Georgia, and accumulated benefits and plan assets are not determined or allocated to the individual participating governmental entities. The retirement contributions for the year ended June 30, 2009 were \$94,092. Contributions are fully vested to employees after 10 years of continuous service.

NOTE 11 – 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 \$60,000 and has a maximum annual liability policy of \$3,417,056.

The claims liability of \$262,205 reported at June 30, 2009 represents known claims incurred on or prior to June 30, 2009 and an estimate for claims that have been incurred but not reported. Changes in the fund's claims liability for the last two 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
2008	\$ 199,679	\$ 2,112,642	\$ 1,783,780	\$ 528,541
2009	\$ 528,541	\$ 2,595,391	\$ 2,861,727	\$ 262,205

NOTE 12 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; 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.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – RISK MANAGEMENT (Continued)

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 13 – 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 14 – 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 Development Center (RDC) and is required to pay annual dues thereto. During its year ended June 30, 2009, the County paid \$33,048 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from:

Coastal Georgia Regional Development Center
Post Office Box 1917
Brunswick, Georgia 31521

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 15 – HOTEL/MOTEL LODGING TAX

The county has levied a five percent lodging tax. A summary of the transactions for the year ended June 30, 2009 follows:

		<u>Percentage of tax receipts</u>
Lodging tax receipts	\$ 12,694	
Disbursements to the:		
Statesboro Convention and Visitors Bureau for promotion of tourism	(9,647)	76.0%
Statesboro Arts Council for performing arts center	(2,412)	19.0%
County for administrative costs	(635)	5.0%
Total	<u>\$ -</u>	

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

BULLOCH COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

	Statesboro/ Bulloch County Airport Fund	BCCI Inmate Fund	Designated Projects Fund	Drug Education Fund	Jail Inmate Phone Fund	E-911 Fund	Emergency Management Agency Fund	Grants Fund	Capital Grants Fund	Hotel/ Motel Tax Fund	Hospital Building Fund
ASSETS											
Cash	\$ 301,569	\$ 4,618	\$ 28,080	\$ 47,007	\$ 57,162	\$ 174,211	\$ 36,024	\$ 25,747	\$ 19,888	\$ (3,765)	\$ 73,240
Intergovernmental receivable	-	-	-	-	-	-	19,951	36,694	-	-	-
Accounts receivable	43,656	-	2,744	-	-	184,838	-	-	-	13,239	-
Taxes receivable	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Prepaid items	5,867	-	-	-	-	-	-	-	-	-	-
Inventories	34,407	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 385,499	\$ 4,618	\$ 30,824	\$ 47,007	\$ 57,162	\$ 359,049	\$ 55,975	\$ 62,441	\$ 19,888	\$ 9,474	\$ 73,240
LIABILITIES AND FUND BALANCE											
Liabilities:											
Accounts payable	\$ 115	-	-	\$ 9,570	-	\$ 48,999	-	-	-	\$ 8,246	-
Accrued payroll	223	-	-	-	-	3,728	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	\$ 62,441	-	-	-
Due to other funds	-	-	-	-	-	136,150	-	-	-	135	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	338	-	-	9,570	-	188,877	-	62,441	-	8,381	-
Fund balance:											
Reserved for prepaid items	5,867	-	-	-	-	-	-	-	-	-	-
Reserved for Jones Nature Trail and for Oertley Memorial	-	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	379,294	\$ 4,618	\$ 30,824	37,437	\$ 57,162	170,172	\$ 55,975	-	\$ 19,888	1,093	\$ 73,240
Total fund balance	385,161	4,618	30,824	37,437	57,162	170,172	55,975	-	19,888	1,093	73,240
TOTAL LIABILITIES AND FUND BALANCE	\$ 385,499	\$ 4,618	\$ 30,824	\$ 47,007	\$ 57,162	\$ 359,049	\$ 55,975	\$ 62,441	\$ 19,888	\$ 9,474	\$ 73,240

BULLOCH COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

	Jail Add-On Fee Fund	Jail Commissary Fund	Juvenile Services Fund	Keep Bulloch Beautiful Fund	Parks and Recreation Funds	Rural Fire Fund	Sheriffs Confiscated Assets Fund	Sheriffs Fingerprint Fund	Solid Waste Fund	Streetlight Tax Districts Fund	Total Nonmajor Special Revenue Funds
ASSETS											
Cash	\$ 107,359	\$ 89,944	\$ 12,063	\$ 35,423	\$ 340,989	\$ (450,579)	\$ 34,218	\$ 43,878	\$ (40,796)	\$ 52,606	\$ 988,886
Intergovernmental receivable	-	-	-	25,000	-	-	-	-	135,610	-	217,255
Accounts receivable	-	-	-	-	-	-	-	-	-	-	244,477
Taxes receivable	-	-	-	-	-	22,816	-	-	-	-	22,816
Due from other funds	-	-	-	-	24,810	-	-	-	-	-	24,810
Prepaid items	-	-	-	-	3,347	-	-	-	-	-	9,214
Inventories	-	-	-	-	-	-	-	-	-	-	34,407
TOTAL ASSETS	\$ 107,359	\$ 89,944	\$ 12,063	\$ 60,423	\$ 369,146	\$ (427,763)	\$ 34,218	\$ 43,878	\$ 94,814	\$ 52,606	\$ 1,541,865
LIABILITIES AND FUND BALANCE											
Liabilities:											
Accounts payable	-	\$ 4,546	\$ 1,185	-	\$ 70,752	\$ 34,278	-	-	\$ 63,185	\$ 2,619	\$ 243,495
Accrued payroll	-	-	-	\$ 451	-	355	-	-	5,919	-	10,676
Deferred revenue	-	-	-	-	-	17,287	-	-	-	-	79,728
Due to other funds	\$ 107,359	-	-	-	14,106	-	-	-	-	5,227	262,977
Other	-	-	-	-	39,433	-	-	-	-	-	39,433
Total liabilities	107,359	4,546	1,185	451	124,291	51,920	-	-	69,104	7,846	636,309
Fund balance:											
Reserved for prepaid items	-	-	-	-	3,347	-	-	-	-	-	9,214
Reserved for Jones Nature Trail and for Memorial funds	-	-	-	-	57,051	-	-	-	-	-	57,051
Unreserved, undesignated	-	85,398	10,878	59,972	184,457	(479,683)	\$ 34,218	\$ 43,878	25,710	44,760	839,291
Total fund balance	-	85,398	10,878	59,972	244,855	(479,683)	34,218	43,878	25,710	44,760	905,556
TOTAL LIABILITIES AND FUND BALANCE	\$ 107,359	\$ 89,944	\$ 12,063	\$ 60,423	\$ 369,146	\$ (427,763)	\$ 34,218	\$ 43,878	\$ 94,814	\$ 52,606	\$ 1,541,865

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Statesboro/ Bulloch County Airport Fund	BCCI Inmate Fund	Designated Projects Fund	Drug Education Fund	Jail Inmate Phone Fund	E-911 Fund	Emergency Management Agency Fund	Grants Fund	Capital Grants Fund	Hotel/ Motel Tax Fund	Hospital Building Fund
REVENUES											
Taxes	\$ 517,016	-	-	-	-	\$ 1,064,546	-	-	-	\$ 12,694	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fees, fines and forfeitures	-	-	-	\$ 46,769	-	-	-	-	-	-	-
Intergovernmental	10,811	-	-	-	-	-	\$ 24,951	\$ 422,110	-	-	-
Interest	394	-	-	-	-	1,943	-	-	-	-	-
Other	95,337	\$ 19,011	\$ 17,710	-	-	-	-	-	-	-	-
Total revenues	623,558	19,011	17,710	46,769	-	1,066,489	24,951	422,110	-	12,694	-
EXPENDITURES											
Current:											
Airport	626,960	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	5,000	-	-	-
Public safety	-	19,235	21,413	52,797	1,088	1,038,472	23,357	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	9,834	-	-	-
Housing and development	-	-	-	-	-	-	-	-	-	12,694	-
Capital outlay:											
Airport	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	24,081	-	-	65,102	-	29,947	-	-	-
Sanitation	-	-	-	-	-	-	-	377,329	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal	20,060	-	-	-	-	32,835	-	-	-	-	-
Interest	9,876	-	-	-	-	9,609	-	-	-	-	-
Total expenditures	656,896	19,235	45,494	52,797	1,088	1,146,018	23,357	422,110	-	12,694	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(33,338)	(224)	(27,784)	(6,028)	(1,088)	(79,529)	1,594	-	-	-	-
OTHER FINANCING SOURCES											
Transfers in	-	-	-	-	58,250	-	35,000	-	-	-	-
Transfers out	-	-	(1,000)	(1,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(1,000)	(1,000)	58,250	-	35,000	-	-	-	-
NET CHANGE IN FUND BALANCES	(33,338)	(224)	(28,784)	(7,028)	57,162	(79,529)	36,594	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	418,499	4,842	59,608	44,465	-	249,701	19,381	-	19,888	1,093	\$ 73,240
FUND BALANCES, END OF YEAR	\$ 385,161	\$ 4,618	\$ 30,824	\$ 37,437	\$ 57,162	\$ 170,172	\$ 55,975	-	\$ 19,888	\$ 1,093	\$ 73,240

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Jail Add-On Fee Fund	Jail Commissary Fund	Juvenile Services Fund	Keep Bulloch Beautiful Fund	Parks and Recreation Funds	Rural Fire Fund	Sheriff's Confiscated Assets Fund	Sheriff's Fingerprint Fund	Solid Waste Fund	Streetsight Tax Districts Fund	Total Nonmajor Special Revenue Funds
REVENUES											
Taxes	-	-	-	-	-	\$ 489,029	-	-	-	\$ 45,646	\$ 547,369
Charges for services	-	\$ 204,819	-	-	\$ 1,457,231	42,158	-	\$ 242,682	-	-	3,581,387
Fees, fines and forfeitures	\$ 143,615	-	\$ 2,050	-	7,774	-	\$ 124,716	-	-	-	317,150
Intergovernmental	-	-	-	\$ 95,000	7,774	-	-	-	364,150	-	924,796
Interest	826	-	-	-	10,134	-	-	172	-	-	13,469
Other	-	-	-	7,814	58,437	7,923	-	-	166,865	-	373,097
Total revenues	144,441	204,819	2,050	102,814	1,533,576	539,110	124,716	53,107	773,697	45,646	5,757,268
EXPENDITURES											
Current:											
Airport	-	-	-	-	-	-	-	-	-	-	626,960
Judicial	-	-	2,591	-	-	-	-	-	-	-	7,591
Public safety	175,764	21,578	-	-	-	661,703	12,881	42,179	-	-	2,070,467
Public works	-	-	-	-	-	-	-	-	-	38,342	38,342
Recreation	-	-	-	-	3,757,197	-	-	-	-	-	3,757,197
Sanitation	-	-	-	109,393	-	-	-	-	1,820,219	-	1,939,446
Housing and development	-	-	-	-	-	-	-	-	-	-	12,694
Capital outlay:											
Airport	-	-	-	-	-	-	-	-	-	-	29,947
Public safety	-	77,291	-	-	-	168,289	99,294	-	-	-	811,386
Sanitation	-	-	-	-	-	-	-	-	242,150	-	242,150
Recreation	-	-	-	-	60,133	-	-	-	-	-	60,133
Debt service:											
Principal	-	-	-	-	16,158	-	-	-	-	-	69,053
Interest	-	-	-	-	-	-	-	-	-	-	19,485
Total expenditures	175,764	98,869	2,591	109,393	3,833,488	829,992	112,175	42,179	2,062,369	38,342	9,684,851
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(31,323)	105,950	(541)	(6,579)	(2,299,912)	(290,882)	12,541	10,928	(1,288,672)	7,304	(3,927,583)
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	-	2,264,656	-	-	-	1,314,382	-	3,672,288
Transfers out	(3,000)	(58,250)	-	(3,000)	-	-	-	-	-	-	(66,250)
Total other financing sources (uses)	(3,000)	(58,250)	-	(3,000)	2,264,656	-	-	-	1,314,382	-	3,606,038
NET CHANGE IN FUND BALANCES	(34,323)	47,700	(541)	(9,579)	(35,256)	(290,882)	12,541	10,928	25,710	7,304	(321,545)
FUND BALANCES, BEGINNING OF YEAR	34,323	37,698	11,419	69,551	280,111	(188,801)	21,677	32,950	-	37,456	1,227,101
FUND BALANCES, END OF YEAR	-	\$ 85,398	\$ 10,878	\$ 59,972	\$ 244,855	\$ (479,683)	\$ 34,218	\$ 43,878	\$ 25,710	\$ 44,760	\$ 905,556

BULLOCH COUNTY, GEORGIA
STATESBORO/BULLOCH COUNTY AIRPORT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$ 471,550	\$ 517,016	\$ 517,016	-
Intergovernmental	4,100	10,811	10,811	-
Interest	650	394	394	-
Other	104,200	95,337	95,337	-
Total revenues	<u>580,500</u>	<u>623,558</u>	<u>623,558</u>	<u>-</u>
EXPENDITURES				
Current:				
Airport	542,600	626,960	626,960	-
Debt Service:				
Principal	-	20,060	20,060	-
Interest	-	9,876	9,876	-
	<u>542,600</u>	<u>656,896</u>	<u>656,896</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	37,900	(33,338)	(33,338)	-
FUND BALANCES, BEGINNING OF YEAR	<u>418,499</u>	<u>418,499</u>	<u>418,499</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 456,399</u>	<u>\$ 385,161</u>	<u>\$ 385,161</u>	<u>-</u>

BULLOCH COUNTY, GEORGIA
BCCI INMATE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Vending commissions/other	\$ 20,000	\$ 19,011	\$ (989)
EXPENDITURES			
Current:			
Public safety	<u>20,000</u>	<u>19,235</u>	<u>765</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(224)	(224)
FUND BALANCES, BEGINNING OF YEAR	<u>4,842</u>	<u>4,842</u>	-
FUND BALANCES, END OF YEAR	<u><u>4,842</u></u>	<u><u>\$ 4,618</u></u>	<u><u>\$ (224)</u></u>

BULLOCH COUNTY, GEORGIA
DESIGNATED PROJECTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Telephone commissions	\$ 20,000	\$ 17,710	\$ 17,710	-
Total revenues	<u>20,000</u>	<u>17,710</u>	<u>17,710</u>	<u>-</u>
EXPENDITURES				
Current:				
Public safety	37,000	21,413	21,413	-
Capital outlay:				
Public safety	7,400	24,081	24,081	-
Total expenditures	<u>44,400</u>	<u>45,494</u>	<u>45,494</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(24,400)	(27,784)	(27,784)	
OTHER FINANCING USES				
Transfers out	(1,600)	(1,000)	(1,000)	-
NET CHANGE IN FUND BALANCES	(26,000)	(28,784)	(28,784)	-
FUND BALANCES, BEGINNING OF YEAR	73,411	59,608	59,608	-
FUND BALANCES, END OF YEAR	<u>\$ 47,411</u>	<u>\$ 30,824</u>	<u>\$ 30,824</u>	<u>-</u>

BULLOCH COUNTY, GEORGIA
DRUG EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fees, fines and forfeitures	\$ 30,000	\$ 46,769	\$ 46,769	-
Interest	200	-	-	-
Total revenues	<u>30,200</u>	<u>46,769</u>	<u>46,769</u>	-
EXPENDITURES				
Current:				
Public safety	<u>36,000</u>	<u>52,797</u>	<u>52,797</u>	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,800)	(6,028)	(6,028)	-
OTHER FINANCING USES				
Transfers out	<u>(500)</u>	<u>(1,000)</u>	<u>(1,000)</u>	-
NET CHANGE IN FUND BALANCES	(6,300)	(7,028)	(7,028)	-
FUND BALANCES, BEGINNING OF YEAR	<u>44,465</u>	<u>44,465</u>	<u>44,465</u>	-
FUND BALANCES, END OF YEAR	<u>\$ 38,165</u>	<u>\$ 37,437</u>	<u>\$ 37,437</u>	<u>\$ -</u>

BULLOCH COUNTY, GEORGIA
JAIL INMATE PHONE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Telephone commissions	-	-	-
EXPENDITURES			
Current:			
Public safety	<u>\$ 1,088</u>	<u>\$ 1,088</u>	<u>-</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,088)	(1,088)	-
OTHER FINANCING SOURCES			
Transfers in	<u>58,250</u>	<u>58,250</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	57,162	57,162	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 57,162</u></u>	<u><u>\$ 57,162</u></u>	<u><u>-</u></u>

BULLOCH COUNTY, GEORGIA
E-911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$ 973,310	\$ 1,064,546	\$ 1,064,546	-
Interest	1,000	1,943	1,943	-
Total revenues	<u>974,310</u>	<u>1,066,489</u>	<u>1,066,489</u>	<u>-</u>
EXPENDITURES				
Current:				
Public safety	945,500	1,038,472	1,038,472	-
Capital outlay:				
Public safety	21,500	65,102	65,102	-
Debt Service:				
Principal	84,000	32,835	32,835	-
Interest	-	9,609	9,609	-
Total expenditures	<u>1,051,000</u>	<u>1,146,018</u>	<u>1,146,018</u>	<u>-</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(76,690)	(79,529)	(79,529)	-
OTHER FINANCING USES				
Transfers out	<u>(15,000)</u>	-	-	-
NET CHANGE IN FUND BALANCES	(91,690)	(79,529)	(79,529)	-
FUND BALANCES, BEGINNING OF YEAR	<u>249,701</u>	<u>249,701</u>	<u>249,701</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 158,011</u>	<u>\$ 170,172</u>	<u>\$ 170,172</u>	<u>\$ -</u>

BULLOCH COUNTY, GEORGIA
EMERGENCY MANAGEMENT AGENCY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 60,000	\$ 24,951	\$ (35,049)
EXPENDITURES			
Current:			
Public safety	<u>58,800</u>	<u>23,357</u>	<u>35,443</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,200	1,594	394
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>(1,200)</u>	<u>35,000</u>	<u>36,200</u>
NET CHANGE IN FUND BALANCES	-	36,594	36,594
FUND BALANCES, BEGINNING OF YEAR	<u>19,381</u>	<u>19,381</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 19,381</u></u>	<u><u>\$ 55,975</u></u>	<u><u>\$ 36,594</u></u>

BULLOCH COUNTY, GEORGIA
GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ 58,000	\$ 422,110	\$ 422,110	-
EXPENDITURES				
Current:				
Judicial	28,000	5,000	5,000	-
Sanitation	-	9,834	9,834	-
Capital outlay:				
Airport	-	29,947	29,947	-
Public safety	30,000	377,329	377,329	-
Total expenditures	<u>58,000</u>	<u>422,110</u>	<u>422,110</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

BULLOCH COUNTY, GEORGIA
CAPITAL GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Interest	-	-	-
EXPENDITURES			
Current:			
Recreation	<u> </u>	<u> </u>	<u> </u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>\$ 19,888</u>	<u>\$ 19,888</u>	<u> -</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 19,888</u></u>	<u><u>\$ 19,888</u></u>	<u><u> -</u></u>

BULLOCH COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 10,500	\$ 12,950	\$ 12,694	\$ (256)
EXPENDITURES				
Current:				
Housing and development - Tourism	10,500	12,950	12,694	256
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR,	1,093	1,093	1,093	-
FUND BALANCES, END OF YEAR	\$ 1,093	\$ 1,093	\$ 1,093	-

BULLOCH COUNTY, GEORGIA
HOSPITAL BUILDING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest	-	-	-
EXPENDITURES			
Capital outlay:			
Community development	-	-	-
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>73,240</u>	<u>73,240</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>73,240</u></u>	<u><u>73,240</u></u>	<u><u>-</u></u>

BULLOCH COUNTY, GEORGIA
JAIL ADD-ON FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fees, fines and forfeitures	\$ 114,900	\$ 143,615	\$ 143,615	-
Interest	100	826	826	-
Total revenues	<u>115,000</u>	<u>144,441</u>	<u>144,441</u>	-
EXPENDITURES				
Current:				
Public safety - Jail	<u>112,000</u>	<u>175,764</u>	<u>175,764</u>	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,000	(31,323)	(31,323)	-
OTHER FINANCING USES				
Transfers out	<u>(3,000)</u>	<u>(3,000)</u>	<u>(3,000)</u>	-
NET CHANGE IN FUND BALANCES	-	(34,323)	(34,323)	-
FUND BALANCES, BEGINNING OF YEAR	<u>34,323</u>	<u>34,323</u>	<u>34,323</u>	-
FUND BALANCES, END OF YEAR	<u>\$ 34,323</u>	<u>-</u>	<u>-</u>	<u>-</u>

BULLOCH COUNTY, GEORGIA
JAIL COMMISSARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$ 56,400	\$ 204,819	\$ 204,819	-
EXPENDITURES				
Current:				
Public safety	6,400	21,578	21,578	-
Capital outlay:				
Public safety	50,000	77,291	77,291	-
Total expenditures	56,400	98,869	98,869	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	105,950	105,950	
OTHER FINANCING USES				
Transfers out	-	(58,250)	(58,250)	-
NET CHANGE IN FUND BALANCES	-	47,700	47,700	-
FUND BALANCES, BEGINNING OF YEAR	37,698	37,698	37,698	-
FUND BALANCES, END OF YEAR	\$ 37,698	\$ 85,398	\$ 85,398	-

BULLOCH COUNTY, GEORGIA
JUVENILE SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Fees, fines and forfeitures	\$ 3,500	\$ 2,050	\$ 2,050	-
EXPENDITURES				
Current:				
Judicial	<u>1,000</u>	<u>2,591</u>	<u>2,591</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,500	(541)	(541)	-
FUND BALANCES, BEGINNING OF YEAR	<u>11,419</u>	<u>11,419</u>	<u>11,419</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 13,919</u>	<u>\$ 10,878</u>	<u>\$ 10,878</u>	<u>-</u>

BULLOCH COUNTY, GEORGIA
KEEP BULLOCH BEAUTIFUL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 105,000	\$ 95,000	\$ (10,000)
Other	9,250	7,814	(1,436)
Total revenues	<u>114,250</u>	<u>102,814</u>	<u>(11,436)</u>
EXPENDITURES			
Current:			
Sanitation	<u>128,600</u>	<u>109,393</u>	<u>19,207</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(14,350)	(6,579)	7,771
OTHER FINANCING USES			
Transfers out	<u>(2,300)</u>	<u>(3,000)</u>	<u>(700)</u>
NET CHANGE IN FUND BALANCES	(16,650)	(9,579)	7,071
FUND BALANCES, BEGINNING OF YEAR	<u>69,551</u>	<u>69,551</u>	-
FUND BALANCES, END OF YEAR	<u>\$ 52,901</u>	<u>\$ 59,972</u>	<u>\$ 7,071</u>

BULLOCH COUNTY, GEORGIA
PARKS AND RECREATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 1,472,300	\$ 1,457,231	\$ (15,069)
Intergovernmental	-	7,774	7,774
Interest	-	10,134	10,134
Other	65,000	58,437	(6,563)
Total revenues	<u>1,537,300</u>	<u>1,533,576</u>	<u>(3,724)</u>
EXPENDITURES			
Current:			
Recreation	3,815,020	3,757,197	57,823
Capital Outlay:			
Recreation	115,580	60,133	55,447
Debt Service:			
Principal	-	16,158	(16,158)
Interest	-	-	-
Total expenditures	<u>3,930,600</u>	<u>3,833,488</u>	<u>97,112</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,393,300)	(2,299,912)	93,388
OTHER FINANCING SOURCES			
Transfers in	<u>2,343,300</u>	<u>2,264,656</u>	<u>(78,644)</u>
NET CHANGE IN FUND BALANCES	(50,000)	(35,256)	14,744
FUND BALANCES, BEGINNING OF YEAR	<u>280,111</u>	<u>280,111</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 230,111</u>	<u>\$ 244,855</u>	<u>\$ 14,744</u>

BULLOCH COUNTY, GEORGIA
RURAL FIRE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes	\$ 535,000	\$ 489,029	\$ 489,029	-
Charges for services	-	42,158	42,158	-
Other	500	7,923	7,923	-
Total revenue	<u>535,500</u>	<u>539,110</u>	<u>539,110</u>	<u>-</u>
EXPENDITURES				
Current:				
Public safety	448,200	661,703	661,703	-
Capital outlay:				
Public safety	48,000	168,289	168,289	-
Total expenditures	<u>496,200</u>	<u>829,992</u>	<u>829,992</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	39,300	(290,882)	(290,882)	-
FUND BALANCES, BEGINNING OF YEAR	<u>(188,801)</u>	<u>(188,801)</u>	<u>(188,801)</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ (149,501)</u>	<u>\$ (479,683)</u>	<u>\$ (479,683)</u>	<u>-</u>

BULLOCH COUNTY, GEORGIA
SHERIFF'S CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Fees, fines and forfeitures	<u>\$ 20,000</u>	<u>\$ 124,716</u>	<u>\$ 124,716</u>	<u>-</u>
EXPENDITURES				
Current:				
Public safety	-	12,881	12,881	-
Capital outlay:				
Public safety	<u>20,000</u>	<u>99,294</u>	<u>99,294</u>	<u>-</u>
Total expenditures	<u>20,000</u>	<u>112,175</u>	<u>112,175</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	12,541	12,541	-
FUND BALANCES, BEGINNING OF YEAR	<u>21,677</u>	<u>21,677</u>	<u>21,677</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 21,677</u></u>	<u><u>\$ 34,218</u></u>	<u><u>\$ 34,218</u></u>	<u><u>-</u></u>

BULLOCH COUNTY, GEORGIA
SHERIFF'S FINGERPRINT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Charges for services	\$ 30,000	\$ 52,935	\$ 52,935	-
Interest	-	172	172	-
Total revenues	<u>30,000</u>	<u>53,107</u>	<u>53,107</u>	-
EXPENDITURES				
Current:				
Public Safety	<u>30,000</u>	<u>42,179</u>	<u>42,179</u>	-
EXCESS OF REVENUES OVER EXPENDITURES	-	10,928	10,928	-
FUND BALANCES, BEGINNING OF YEAR	<u>32,950</u>	<u>32,950</u>	<u>32,950</u>	-
FUND BALANCES, END OF YEAR	<u><u>\$ 32,950</u></u>	<u><u>\$ 43,878</u></u>	<u><u>\$ 43,878</u></u>	<u><u>-</u></u>

BULLOCH COUNTY, GEORGIA
SOLID WASTE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$ 326,000	\$ 242,682	\$ 242,682	-
Intergovernmental	125,000	364,150	364,150	-
Other	205,000	166,865	166,865	-
Total revenues	<u>656,000</u>	<u>773,697</u>	<u>773,697</u>	-
EXPENDITURES				
Current:				
Sanitation	1,861,000	1,820,219	1,820,219	-
Capital outlay:				
Sanitation	-	242,150	242,150	-
Total expenditures	<u>1,861,000</u>	<u>2,062,369</u>	<u>2,062,369</u>	-
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,205,000)	(1,288,672)	(1,288,672)	-
OTHER FINANCING SOURCES				
Transfers in	<u>1,205,000</u>	<u>1,314,382</u>	<u>1,314,382</u>	-
NET CHANGE IN FUND BALANCES	-	25,710	25,710	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>-</u>	<u>\$ 25,710</u>	<u>\$ 25,710</u>	<u>-</u>

BULLOCH COUNTY, GEORGIA
STREETLIGHT TAX DISTRICTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes	\$ 37,147	\$ 45,646	\$ 45,646	-
EXPENDITURES				
Current:				
Public works - Street lighting	<u>37,147</u>	<u>38,342</u>	<u>38,342</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	7,304	7,304	-
FUND BALANCES, BEGINNING OF YEAR	<u>37,456</u>	<u>37,456</u>	<u>37,456</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 37,456</u>	<u>\$ 44,760</u>	<u>\$ 44,760</u>	<u>-</u>

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2009

	Tax Commissioner	Fire District	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Emergency Medical Service	Bulloch County Correctional Institute	Probation	Total
ASSETS										
Cash	\$ 54,969	\$ 54,423	\$ 5,324	\$ 531,353	\$ 4,860	\$ 204,335	\$ 8,609	\$ 11,062	\$ 154,403	\$ 1,029,338
LIABILITIES										
Due to other entities and individuals	\$ 54,969	\$ 54,423	\$ 5,324	\$ 531,353	\$ 4,860	\$ 204,335	\$ 8,609	\$ 11,062	\$ 154,403	\$ 1,029,338

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2009

SPLOST 97 Fund

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		Total	Estimated Percentage of Completion
			Prior Years	Current Year		
Road improvements	\$ 7,420,000	\$ 11,890,810	\$ 11,890,810	-	\$ 11,890,810	100%
City fire	250,000	230,596	230,596	-	230,596	100%
City patrol cars	200,000	196,722	196,722	-	196,722	100%
Solid waste	12,250,000	12,500,000	12,225,365	\$ 11,843	12,237,208	97.9%
Public safety - communications	2,000,000	1,999,999	1,999,999	-	1,999,999	100%
Airport	500,000	518,322	518,322	-	518,322	100%
Arts center	1,030,000	1,030,000	1,030,000	-	1,030,000	100%
Recreation	2,000,000	2,830,973	2,830,973	-	2,830,973	100%
Public safety	850,000	949,683	949,683	-	949,683	100%
Agribusiness center	2,000,000	3,000,410	3,000,410	-	3,000,410	100%
Brooklet - water/sewer system	500,000	500,000	500,000	-	500,000	100%
Portal - solid waste	80,000	106,073	106,073	-	106,073	100%
Register - roads and streets	20,000	20,001	20,001	-	20,001	100%
Portal - drainage	50,000	34,446	34,446	-	34,446	100%
Voting precinct	50,000	50,002	50,002	-	50,002	100%
Georgia State Patrol building	500,000	725,000	725,000	-	725,000	100%
Administrative building	-	500,000	-	-	-	0%
Water/sewer system	5,300,000	1,126,611	1,126,611	-	1,126,611	100.0%
	<u>\$ 35,000,000</u>	<u>\$ 38,209,648</u>	<u>\$ 37,435,013</u>	<u>\$ 11,843</u>	<u>\$ 37,446,856</u>	<u>98.0%</u>

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2009

SPLOST 02 Fund

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		Total	Estimated Percentage of Completion
			Prior Years	Current Year		
Road improvements - County	\$ 5,000,000	\$ 6,012,614	\$ 5,247,273	765,341	\$ 6,012,614	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	1,500,000	1,445,809	23,590	1,469,399	98%
Solid waste - recycling - County	640,000	607,353	76,501	236,662	313,163	52%
Public safety - Sheriff	1,000,000	900,000	758,010	83,086	841,096	93%
Public safety - Rural Fire	900,000	1,171,550	915,487	103,970	1,019,457	87%
Public safety - EMS	600,000	677,658	643,313	34,345	677,658	100%
Public safety - Animal control	-	8,804	8,804	-	8,804	100%
Airport - County	750,000	711,445	568,919	59,579	628,498	88%
Agribusiness Center - County	6,100,000	4,437,186	462,360	-	462,360	10%
Parks and recreation - County	7,000,000	6,251,237	5,767,714	238,796	6,006,510	96%
Industrial park - County	5,500,000	5,218,043	4,862,068	28,631	4,890,699	94%
Water/sewer system - County	100,000	29,780	29,780	-	29,780	100%
Community facilities - County	3,143,000	3,955,930	2,519,154	127,791	2,646,945	67%
BCCI vehicle - County	-	13,958	13,958	-	13,958	100%
Arts center - Statesboro	1,360,000	1,446,932	1,446,932	-	1,446,932	100%
Municipal building/Police Station - Statesboro	2,140,000	3,362,525	3,362,525	-	3,362,525	100%
Public safety vehicles - Statesboro	500,000	437,184	263,674	-	263,674	60%
Water/sewer system - Statesboro	5,000,000	4,372,334	1,760,775	365,124	2,125,899	49%
City streets, etc. - Statesboro	5,000,000	4,372,334	3,453,373	453,325	3,906,698	89%
Municipal building - Brooklet	350,000	352,035	348,135	3,900	352,035	100%
Cultural facility - Brooklet	75,000	-	-	-	-	-
Water system - Brooklet	230,000	140,109	116,633	16,244	132,877	95%
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	143,487	5,775	149,262	100%
Sewer system - Portal	-	46,531	46,531	-	46,531	100%
City streets, etc - Portal	160,000	116,667	116,667	-	116,667	100%
Centennial Park - Portal	-	54,201	54,201	-	54,201	100%
Water system - Register	27,000	9,468	3,450	-	3,450	36%
Public safety facility - Register	15,000	23,330	23,330	-	23,330	100%
Recreational areas - Register	15,000	19,539	17,354	2,185	19,539	100%
Cultural facility - Register	45,000	37,926	33,799	4,127	37,926	100%
City streets, etc. - Register	25,000	20,808	15,973	4,835	20,808	100%
	<u>49,800,000</u>	<u>49,253,222</u>	<u>37,322,468</u>	<u>2,557,306</u>	<u>39,879,774</u>	<u>81%</u>

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2009

SPLOST 07 Fund

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		Total	Estimated Percentage of Completion
			Prior Years	Current Year		
Jail expansion	\$ 10,500,000	\$ 10,500,000	1,239,494	\$ 7,500,588	\$ 8,740,082	83%
Solid waste handling facilities and equipment - Joint	7,000,000	7,000,000	777,778	1,166,667	1,944,445	28%
Economic development - Industrial park	2,875,500	2,875,500	-	-	-	0%
Cemetery expansion - Statesboro	900,000	900,000	900,000	-	900,000	100%
Road improvements	12,500,000	12,500,000	-	-	-	0%
Community facilities - County	5,138,500	5,138,500	-	-	-	0%
Public safety facilities and equipment	3,655,000	3,655,000	-	-	-	0%
Recreational facilities and equipment	2,874,700	2,874,700	-	-	-	0%
Solid waste handling facilities and equipment - County	1,200,000	1,200,000	-	-	-	0%
Airport facilities and equipment	700,000	700,000	-	-	-	0%
Storm water projects	222,000	222,000	-	-	-	0%
Voting equipment	75,000	75,000	-	-	-	0%
Greenspace preservation	222,000	222,000	-	-	-	0%
City of Statesboro	20,767,500	20,767,500	-	-	-	0%
Town of Brooklet	1,070,000	1,070,000	856,000	-	856,000	80%
City of Portal	1,139,300	1,139,300	1,020,800	-	1,020,800	90%
Town of Register	160,500	160,500	128,400	-	128,400	80%
	<u>71,000,000</u>	<u>71,000,000</u>	<u>4,922,472</u>	<u>8,667,255</u>	<u>13,589,727</u>	<u>19%</u>

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GEORGIA SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

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 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, 2009, which collectively comprise Bulloch County's basic financial statements and have issued our report thereon dated February 17, 2010. We did not audit the financial statements of the Bulloch County Board of Health and the Development Authority of Bulloch County. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bulloch County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bulloch County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Bulloch County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Bulloch County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Bulloch County's financial statements that is more than inconsequential will not be prevented or detected by Bulloch County's internal control. We consider the deficiencies described below to be significant deficiencies in internal control over financial reporting.

1. Clerk of Courts-Resolution of old outstanding items and funds held in trust

During our audit we noted numerous old outstanding items on the bank reconciliations of the Clerk of Courts office, as well as funds held in trust and monies held in the condemnation account for which no one is aware of where the funds originated from or how they are to be disbursed. During the year, one of these trust funds was turned over to the Georgia Department of Revenue by the bank as unclaimed property due to a lack of correspondence from the Clerk's office. It is our recommendation that the Clerk's office work towards resolving these old outstanding items. We also recommend that the Clerk's office research the origination of all funds held in the condemnation account and various trust accounts. Old outstanding checks should be researched to determine if they should be voided because of duplicate payment or other reasons. If not, the Clerk's office should attempt to contact the payee on the check by letter at the last known address of the payee. If this attempt fails, the Clerk's office is required by state law to remit the amount of the unclaimed checks to the Georgia Department of Revenue as unclaimed property by filing an Unclaimed Property Annual Filing Report. We further recommend that procedures be implemented to review such items at least annually once all old items have been resolved.

County Response: We concur with this finding and we will implement procedures for the Clerk of Courts office to properly handle the resolution of old outstanding items and all funds held in the condemnation or trust accounts of unknown origination.

2. Financial reporting process is inadequate for recording the activity in some of the County's agency funds and special revenue funds

The Sheriff, Bulloch County Correctional Institute, and Probate Court have several funds for which a trial balance summarizing the annual activity and year end balances is not maintained. Accurate trial balances are needed on these funds in order for them to be properly included in the County's financial statements.

County response: We concur with this finding and we will consult with our auditors on developing the appropriate procedures to prepare accurate trial balances at year end for our agency funds and special revenue funds not maintained on our computerized accounting system.

3. Timely billing of amounts due from the City of Statesboro

During our audit, we noted amounts totaling \$66,710 that had not been billed to the City of Statesboro and recorded as a receivable in the County's financial statements for the solid waste fund, Keep Bulloch Beautiful fund, and the general fund. Invoices to the City of Statesboro or other governmental entities should be processed on at least a quarterly basis.

County response: We concur with this finding and we will implement procedures to bill for amounts receivable from the City of Statesboro on a timely basis.

4. Inadequate segregation of duties

Many of the County's departments and offices have a small number of people in their offices performing a variety of accounting duties, some of which may be incompatible. Separating these duties will improve internal controls over cash and other assets and reduce the possibility of errors and irregularities. This may be done without hiring more personnel. We recommend that the County review each department with accounting duties to determine where incompatible duties can be reassigned, if practical, or create a supervisory review of these functions.

County response: We concur with this finding and we will try to implement procedures to improve the segregation of duties in the County's various departments and offices. We will also attempt to implement compensating controls when feasible to minimize the effects of these control deficiencies.

5. Maintaining documentation for grants

During our audit, we encountered difficulty in obtaining documentation for several grants received by the County. We also noted several instances in which the appropriate grant documentation had not been provided to the County's chief financial officer (CFO) by the department requesting the grant funds. The County's internal controls over monitoring grant awards should be strengthened by requiring all grant requests/proposals to be submitted to and reviewed by the County's CFO before being submitted to the potential grantor. Also, a copy of all grant awards, drawdown requests and related documentation should be sent to the CFO so that all grant information is maintained in a central location for financial, budgeting, and external audit purposes.

County response: We concur with this finding and we will require all County departments to begin sending a copy of all grant requests, grant awards, and related documentation to the County's CFO to accumulate all grant information for the County in a central location.

6. Improper recording of loan proceeds and construction project costs in the Aquatic Center enterprise fund

Loan proceeds received and used by the Aquatic Center enterprise fund were improperly recorded as revenue and construction costs for improvements were improperly recorded as expenses instead of additions to capital assets. We also noted that construction period interest costs were not being capitalized in the cost of the construction project. In addition, principal payments on the loan were recorded as expenses instead of as a reduction of the note payable balance. Enterprise funds are required to use the accrual basis of accounting in reporting their activity in the County's financial statements.

County response: We concur with this finding and we will implement procedures to report loans and construction activity of enterprise funds on the accrual basis in the County's year-end financial statements.

7. Bulloch County Jail Inmate Funds Account – Inadequate bank reconciliations

The bank reconciliation of the jail inmate funds account is not being documented properly each month. A summary reconciliation should be prepared each month detailing the bank balance, deposits in transit, outstanding checks, and other items that reconcile to the jail inmate funds checkbook balance reported on its accounting system.

County response: We concur with this finding and we will ask the bookkeeper for the jail inmate funds to implement procedures to properly document its monthly bank reconciliations.

8. Accounting for capital leases

During our audit we noted new capital leases in the amount of \$1,098,879 that were not recorded in the County's financial statements. At the inception of capital leases at the governmental fund reporting level, expenditures and an other financing source called "proceeds from capital leases" of an equal amount should be recorded at the net present value of the future minimum lease payments.

County response: We concur with this finding and we will implement procedures to make sure that as new capital leases are entered into, a copy of the lease agreement will be forwarded to the CFO who will be responsible for recording the capital lease in the County's accounting records.

9. Inadequate tracking of additions to capital assets for governmental activities

A listing of additions to capital assets for governmental activities was not compiled and provided to the auditors for the year ended June 30, 2009. The County should implement procedures that require each department and either the purchasing director or accounts payable personnel to forward all information on capital asset purchases to the CFO at least annually to be recorded in the County's government-wide financial statements.

County response: We concur with this finding and we will implement procedures that require each department and either the purchasing director or accounts payable personnel to forward all information on the capital asset purchases to the CFO at least annually to be recorded in the County's government-wide financial statements.

10. Develop a year-end closing schedule

While original trial balances for all funds were provided to us at the end of October, 2009 for this year's audit, there were several significant changes to many of those amounts, causing additional audit time and delay. Most of the revised trial balances were received in early December, with the last one provided on December 30, 2009. We believe that the year-end closing could proceed in a more timely and efficient manner by developing a closing schedule that indicates who will perform each procedure and when the completion of each procedure is due and accomplished. The timing of specific procedures could be coordinated with the timing of management's or the auditor's need for the information, and the due dates should be monitored to determine that they are being met. Also, any entries required after the year-end close for the previous fiscal year should be communicated to the auditor.

County response: We concur with this finding and we will implement procedures to establish a year-end closing schedule to improve efficiency and timeliness in the closing process.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Bulloch County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 3, 6, and 8 to be material weaknesses.

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 the findings identified in our audit is described above. We did not audit Bulloch County, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of commissioners, management, others within the entity, the State of Georgia, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Thigpen, Lanier, Westerfield + Deal

February 17, 2010