

BULLOCH COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

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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, 2011, 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, 2011, and the respective changes in financial position, and cash flows, where applicable, 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 May 15, 2012 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.

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

express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bulloch County, Georgia's financial statements as a whole. 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 financial statements. The combining and individual nonmajor fund financial statements and schedules and schedule of expenditures paid with SPLOST proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Thigpen, Lanier, Westerfield & Deal

May 15, 2012

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, 2011. 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 \$82,141,814 at 2011 fiscal year-end. That is \$2,563,570 (or 3.0%) less than the total net assets of \$84,705,384 at 2010 fiscal year-end.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$62,314,012 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 2010 was \$61,664,283. That is an increase of \$649,729 (or 1.0%) for fiscal year 2011.
 - (2) Net assets of \$10,749,506 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations. That is \$3,290,857 (or 23.4% %) less than the fiscal year 2010 amount of \$14,040,363.
 - (3) Unrestricted net assets of \$9,078,296 represent the portion available to maintain the County's continuing obligations to citizens and creditors. This is a \$77,738 (or 0.8%) increase from the fiscal year 2010 total of \$9,000,758. Unrestricted net assets increased in fiscal years 2010 and 2009 by \$1,169,605 and 1,892,742, respectively. *This increase of unrestricted net assets in the last three fiscal years gives the County more financial flexibility and continues a trend of increasing unrestricted net assets.*
- The County's governmental funds reported total ending fund balance of \$18,043,755 in fiscal year 2011, compared to \$21,669,504 in fiscal year 2010. This is a decrease of \$3,625,749 (or 16.7%). These decreases were due to a \$1,030,597 decrease in SPLOST 02, and a \$2,764,591 decrease in SPLOST 07. The fiscal year 2011 ending fund balance for the General Fund showed an increase of \$134,281 (or 1.7%). The SPLOST 97 ending fund balance in fiscal year 2011 increased by \$890 to \$708,246. Other Governmental Funds increased by \$34,268 for an ending fund balance of \$607,452 at the end of fiscal year 2011.
- At the end of the current fiscal year, cumulative fund balance for the General Fund was \$7,942,390 (or 25.3%) of total General Fund expenditures and operating transfers out; with \$689,144 as un-spendable includes amounts that are in an un-spendable form or are required to remain intact (inventories, endowment from a corpus fund, prepaid items, long-term loans and notes receivable etc.); \$499,510 assigned (amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed), and \$6,753,736 as unassigned (such amounts are the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications). That compares to \$7,629,141 (or 25.6%) of total General Fund expenditures, and operating transfers out in fiscal year 2010.
- *Overall, the County maintains a positive operating financial position.* During Fiscal Year 2011, Bulloch County continued to make investments in capital assets and service delivery, while at the same time maintaining its optimal levels of financial strength and liquidity. During the 2011 fiscal year, Bulloch County's local economy has remained static in a manner consistent with the state and local economy. Bulloch County had experienced a structural budget deficit for several years prior to Fiscal Year 2008. 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 three years of the five year stabilization plan by increasing the unreserved general fund balance in the amount of \$3.69 million dollars. 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. The **notes** are presented on pages 32-51.

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, Bulloch County Correctional Institute, and the Tax Commissioner.

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

Notes to the Basic Financial Statements

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

Supplementary Information

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

During the fiscal year, the Board of Commissioners adopted by resolution several budget amendments, or revisions, to the original budget resolutions. As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in this section of this report beginning on page 52.

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, 2011 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	2011 Governmental Activities	2010 Governmental Activities	Standard	2011 Adherence to Standard
Current Ratio	4.96	5.71	2.0 or >	<i>Positive</i>
Total Debt to Equity Ratio	0.031	0.053	1.0 or <	<i>Positive</i>
Working Capital	\$17,908,776	\$20,950,333	NA (1)	<i>Positive</i>
Current Liabilities Ratio	0.067	0.058	0.05 or <	<i>Negative</i>
Operating Position	0.253	0.283	0.25 or >	<i>Positive</i>
Ratio of General Debt Outstanding	0.0%	0.0%	0.0%	<i>Positive</i>
Debt Limit Ratio	0.0%	0.0%	0.0%	<i>NA (1)</i>
Legal Debt Margin	100.0%	100.0%	100.0%	<i>Positive</i>
Net Overlapping Debt	\$71,775,000 (2)	\$68,330,000 (2)	NA (1)	<i>NA (1)</i>
Net Direct Long-Term Debt Per Capita	\$984.82	\$973.13	NA (1)	<i>NA (1)</i>

(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, the other ratios indicate favorable or positive financial strength.

Summary of Net Assets

As noted earlier, Bulloch County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County had total net assets (assets exceeded liabilities) of \$82,141,814 at 2011 fiscal year-end compared to the fiscal year 2010 figure of \$84,705,384. 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>	
	2011	2010	2011	2010	2011	2010	2011	2010
Assets								
Current Assets	22,427,818	25,399,449	1,485,321	1,396,113	23,913,139	26,795,562	25.7%	27.9%
Capital Assets	58,571,606	58,536,738	10,409,006	10,873,930	68,980,612	69,410,668	74.3%	72.1%
Total Assets	80,999,424	83,936,187	11,894,327	12,270,043	92,893,751	96,206,230	100.0%	100.0%
Liabilities								
Current Liabilities	4,519,042	4,449,116	292,524	268,234	4,811,566	4,717,350	44.7%	41.0%
Long-Term Liabilities	2,251,812	2,886,004	3,688,559	3,897,492	5,940,371	6,783,496	55.3%	59.0%
Total Liabilities	6,770,854	7,335,120	3,981,083	4,165,726	10,751,937	11,500,846	100.0%	100.0%
Net Assets								
Invested in Capital Assets, Net of Debt	55,802,521	54,891,251	6,511,491	6,773,012	62,314,012	61,664,263	75.8%	72.8%
Restricted – Capital Projects	9,493,913	13,288,211	-	-	9,493,913	13,288,211	11.6%	15.7%
Restricted – Other Purposes	1,255,593	752,152	-	-	1,255,593	752,152	1.5%	0.9%
Unrestricted	7,676,543	7,669,453	1,401,753	1,331,305	9,078,296	9,000,758	11.1%	10.6%
Total Net Assets	74,228,570	76,601,067	7,913,244	8,104,317	82,141,814	84,705,384	100.0%	100.0%

The County reported decreasing balances in total net assets for both governmental and business-type activities. Total net assets for fiscal year 2011 decreased by \$2,563,570 (or 3.0%), with 92% of the decrease occurring in governmental activities (\$2,372,497, or 3.1%), and the remaining decrease by \$191,073 (or 2.4%) for business-type activities.

Note that in fiscal year 2011 and 2010, respectively 75.8% and 72.8% of the total net assets were invested in capital assets, net of debt. This documents that the County continues to invest adequately in the capital assets needed to provide services, with minimal reliance on debt for capital investment. On the business type activities, the County has invested a higher ratio, 82.3% in fiscal year 2011, and 83.6% in fiscal year 2010, of its net assets on capital assets, net of related debt. Another indicator of its positive operating condition is the increasing growth in the ratio of unrestricted net assets. For governmental activities, unrestricted net assets grew from 10.0% of total net assets to 10.3% between fiscal years 2010 and 2011. For business-type activities, unrestricted net assets grew from 16.4% of total net assets to 17.7% (or \$70,448; 5.3%), between fiscal years 2010 and 2011. Overall, this increased total unrestricted net assets from 10.6% to 11.1% of total net assets.

Summary of Changes in Net Assets

	2011				2010			
	Governmental Activities	Business Activities	Total	Percentage of Total	Governmental Activities	Business Activities	Total	Percentage of Total
Program Revenues								
Fees, Fines, Charges for Services	11,942,977	2,281,049	14,224,026	28.9%	12,013,965	2,122,419	14,136,384	28.1%
Operating Grants and Contributions	1,369,848	-	1,369,848	2.8%	2,126,629	-	2,126,629	4.2%
Capital Grants and Contributions	776,334	-	776,334	1.6%	1,723,218	-	1,723,218	3.4%
General Revenues								
Taxes	32,076,555	-	32,076,555	65.1%	31,655,472	-	31,655,472	62.8%
Other	806,891	238	807,129	1.6%	743,418	555	743,973	1.5%
Total Revenues	46,972,605	2,281,287	49,253,892	100.0%	48,262,702	2,122,974	50,385,676	100.0%
Program Expenses								
General Government	4,374,121	-	4,374,121	8.4%	4,053,080	-	4,053,080	8.3%
Judicial	3,070,791	-	3,070,791	5.9%	3,011,778	-	3,011,778	6.2%
Public Safety	19,016,596	-	19,016,596	36.7%	17,262,131	-	17,262,131	35.5%
Public Works	9,677,537	-	9,677,537	18.7%	6,931,264	-	6,931,264	14.3%
Sanitation	3,700,656	-	3,700,656	7.1%	3,310,044	-	3,310,044	6.8%
Health and Welfare	437,916	-	437,916	0.8%	387,490	-	387,490	.8%
Libraries and Recreation	4,736,946	-	4,736,946	9.3%	4,932,791	-	4,932,791	10.2%
Airport	770,103	-	770,103	1.5%	646,557	-	646,557	1.3%
Housing and Development	3,110,934	-	3,110,934	6.0%	957,328	-	957,328	2.0%
Intergovernmental	466,384	-	466,384	0.9%	4,631,976	-	4,631,976	9.5%
Interest	136,518	-	136,518	0.3%	259,620	-	259,620	.5%
Aquatic Center	-	2,147,207	2,147,207	4.1%	-	2,029,915	2,029,915	4.2%
Agribusiness Center	-	171,753	171,753	0.3%	-	174,691	174,691	0.4%
Total Expenses	49,498,502	2,318,960	51,817,462	100.0%	46,384,059	2,204,606	48,588,665	100.0%
Excess (Deficiency)	(2,525,897)	(37,673)	(2,563,570)		1,878,643	(81,632)	1,797,011	
Transfers	153,400	(153,400)	-		65,000	(65,000)	-	
Change in Net Assets	(2,372,497)	(191,073)	(2,563,570)		1,943,643	(146,632)	1,797,011	
Prior Period Adjustment	-	-	-		(59,383)	(88,345)	(147,728)	
Beginning Net Assets	76,601,067	8,104,317	84,705,384		74,716,807	8,339,294	83,056,101	
Ending Net Assets	74,228,570	7,913,244	82,141,814		76,601,067	8,104,317	84,705,384	

Governmental Activities: Revenues

Bulloch County is one of only eight counties out of 159 in Georgia that do not receive any of the 1% Local Option Sales Tax (LOST). A local Constitutional Amendment was passed by the Georgia General Assembly in the 1981 Session (Georgia Laws, 1981, p. 1931) which called for a referendum on the question of whether or not the local option sales tax should go to the Bulloch County Board of Education, with a dollar for dollar reduction in the school property tax. The referendum passed on November 2, 1982. Since that time, this money has gone to the Bulloch County Board of Education. Since most Georgia counties and cities negotiate a formula to distribute LOST proceeds among themselves, the absence of this availability puts Bulloch County's basic units of local government at a distinct disadvantage relative to almost all the other cities and counties in the state. Ultimately, it means that the county government and its municipalities have to rely more heavily on the local property tax and user fees than these other cities and counties. For example, if the county and municipal governments had split \$10,136,020 in local option sales taxes in fiscal year 2011 collected by the Board of Education, Bulloch County could have potentially realized as much as 58% in additional revenue, if distribution were made between the county and municipalities based on population.

However, Bulloch County and its municipalities do share the proceeds of a 1% Special Purpose Local Option Sales Tax (SPLOST), which has passed referendums successively in 1997 and 2002 for five-year terms; and 2007 for a six-year term. At first glance it appears that the County may be heavily reliant on sales taxes to support governmental operations. In fiscal year 2011, sales taxes of \$9,951,001 out of \$46,676,114 in total governmental funds revenues, or 21.3%, were received from SPLOST 2007. However, all SPLOST proceeds are defined by law to be spent on capital outlays, not operating costs.

The County has been able to earn \$47,652 in fiscal year 2011, and \$45,090 in fiscal year 2010, in interest to support governmental activities. Also, note that program revenues covered 28.5% in fiscal year 2011, and 34.2% in fiscal year 2010 of governmental operating expenses. This means that the government's taxpayers and the other general revenues funded the remaining 71.5% in fiscal year 2011, and 65.8% in fiscal year 2009 of the governmental activities.

Property taxes are an important source of revenue to Bulloch County's General Fund. In fiscal year 2011, property tax revenues were \$18,955,882 (or 60.5% of total general fund revenues), in fiscal year 2010, \$18,757,670 (or 60.1% 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 38.4% of the County's total governmental activity expenses in FY 2011, followed by Public Works (19.6%) and Libraries and Recreation (9.6%). In fiscal year 2009, those figures were 37.2%, 14.9% and 10.6% respectively. The following table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

	Governmental Activities			
	2011		2010	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General Government	4,374,121	(2,955,900)	4,053,080	(2,666,363)
Judicial	3,070,791	(2,591,130)	3,011,778	(2,565,312)
Public Safety	19,016,596	(10,954,499)	17,262,131	(8,128,595)
Public Works	9,677,537	(9,608,314)	6,931,264	(6,844,732)
Sanitation	3,700,656	(2,939,571)	3,310,044	(2,602,839)
Health and Welfare	437,916	(437,916)	387,490	(387,490)
Libraries and Recreation	4,736,946	(2,683,569)	4,932,791	(3,314,104)
Airport	770,103	(136,835)	646,557	59,415
Housing and Development	3,110,934	(2,965,091)	957,328	235,806
Intergovernmental	466,384	-	4,631,976	(4,046,413)
Interest	136,518	(136,518)	259,620	(259,620)
Total	49,498,502	(35,409,343)	46,384,059	(30,520,247)

For fiscal year 2011, all functions required a subsidy from general revenues comprising 71.5% of all expenses. For fiscal year 2010, all functions except Airport and Housing and Development required a subsidy from general revenues comprising 65.8% of all expenses.

Business-Type Activities: Revenues vs. Expenses

For fiscal year 2011, the aggregate operating revenues for the county enterprise funds were 7.5% above 2010 and operating expenses were 6.6% above fiscal year 2010. Within the total business type activities of the County, these activities reported aggregate operating income of \$206,541 compared to operating profit of \$177,192 in fiscal year 2010. However, after non-operating expense and transfers in and out between other funds, these funds reported a combined loss of \$191,073 in fiscal year 2011 compared to a loss of \$146,632 in fiscal year 2010.

Business-Type Activities: Operating Income (Loss)				
	2011		2010	
	Amount	Percent Change	Amount	Percent Change
Aquatic Center Fund	\$294,973	9.8%	\$268,533	28.6%
Agribusiness Center Fund	(\$88,402)	3.2%	(\$91,341)	(8.7%)

Operating income before transfers for the Aquatic Center Fund (Splash in the 'Boro) increased in fiscal year 2011 with operating revenues increasing by \$158,629 or 7.8%, while operating expenses increased \$132,219 or 7.5%, resulting in a 9.8% increase in annual operating income.

The negative operating income for the Agribusiness Center Fund improved by 3.2% in fiscal year 2011. Operating revenues remained constant, while operating expenses before depreciation decreased by 2.3%. 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 supports the direct operating expenses when building depreciation is not factored into rental prices or costs. 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. \$153,400 was transferred out of the Aquatic Center Fund to the general fund in 2011. 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 \$18,043,755 in fiscal year 2011, compared to \$21,669,504 in fiscal year 2010. Of these year-end totals, in fiscal year 2011, \$694,781 was non-spendable, \$10,743,869 was restricted, \$499,510 was assigned and \$6,105,595 was unassigned.

The total ending fund balances of governmental funds show a decrease in fiscal year 2011 of \$3,625,949 (16.7%) compared to an increase in fiscal year 2010 of \$1,211,127 (or 5.9%).

Total taxes in governmental funds were \$569,608 or 1.8% higher than in fiscal year 2010. Charges for services decreased in fiscal year 2011 to \$8,892,232 from \$9,169,111 (or 3.1%).

The governmental funds' expenditures increased by \$3,489,692, (or 7.3%), in fiscal year 2011, due to a greater investment in capital outlays from carryover funds than in fiscal year 2010.

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.

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 \$134,281 in fiscal year 2011.

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 increase in net assets of \$325,775 for the year ended June 30, 2011 because of an increase in premiums revenue compared to fiscal year 2010. Claims expense only increased \$2,329 during fiscal year 2011. This fund had a claims liability of \$249,365 at June 30, 2011 compared to \$310,376 at the end of fiscal year 2010.

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 \$31,346,311 or 99.1% of the budgeted revenues in the appropriated budget. Overall, the County recognized expenditures equal to \$28,805,811 or 98.0% of the budgeted expenditures in the appropriated budget.

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

On the expenditure side, the most significant budget amendments were made for the Public Safety function, particularly in the Animal Shelter, Sheriff, and County Correctional 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, 2011 was \$68,980,612. That compares to fiscal year 2010 numbers of \$69,410,668.

The fiscal year 2011 totals in this net investment increased by \$34,868 for governmental activities and decreased by \$464,924 or -4.3% for business-type activities. The overall decrease was 0.6% for the County as a whole. *See Note 6* for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Capital Assets					
	Governmental Activities		Business Activities		Total	
	2011	2010	2011	2010	2011	2010
Non-depreciable Assets						
Land	2,697,918	2,697,918	329,177	329,177	3,027,095	3,027,095
Construction in Progress	2,178,731	2,071,423	-	-	2,178,731	2,071,423
Total Non-Depreciable	4,876,649	4,769,341	329,177	329,177	5,205,826	5,098,518
Depreciable Assets						
Buildings	39,977,793	37,806,246	7,042,188	7,042,188	47,019,981	44,848,434
Improvements Other Than Buildings	5,622,079	4,741,999	5,235,163	5,162,992	10,857,242	9,904,991
Machinery and Equipment	19,430,206	19,680,401	590,715	579,708	20,020,921	20,260,109
Infrastructure	114,402,026	113,577,453	-	-	114,402,026	113,577,453
Total Depreciable Assets	179,432,104	175,806,099	12,868,066	12,784,888	192,300,170	188,590,987
Less Accumulated Depreciation	125,737,147	122,038,702	2,788,237	2,240,135	128,525,384	124,278,837
Book Value: Depreciable Assets	53,694,957	53,767,397	10,079,829	10,544,753	63,774,786	64,312,150
Percentage Depreciated	70.1%	69.4%	21.7%	17.5%	53.6%	65.9%
Total Book Value	58,571,606	58,536,738	10,409,006	10,873,930	68,980,612	69,410,668

The County began reporting its governmental infrastructure constructed each year in fiscal year 2003. The only change in infrastructure between fiscal year 2010 and fiscal year 2011 were additions to the local road system.

The decrease in the Business Activities assets is primarily due to building depreciation. In the County's business type activities, 21.7% of the asset values were depreciated at June 30, 2011, compared to 17.5% for fiscal year 2010.

At June 30, 2011, the depreciable capital assets for governmental activities were 70.1% depreciated. This percentage is greater than the fiscal year 2010 amount of 69.4%. *This indicates, that overall, the County is replacing capital assets at a rate that is below depreciation expense. The County is trying to maintain and not increase machinery, equipment and infrastructure because of the impact of the recent recession.*

Long-term Debt

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 \$6,666,600 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 currently exist, they are expected to be paid off by 2015. There is one note payable to the Georgia Environmental Facilities Authority with an outstanding principal amount of \$93,447 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 \$3,897,515 resides in the current Aquatic Center Expansion which took place during 2009. However, as an enterprise activity, this debt is paid for within the fund, which revenues are generated solely by user fees.

The governmental activities reported capital leases of \$2,675,638, a net decrease of \$864,076 or 24.4% from 2010. Notes payable for governmental and business-type activities decreased by \$215,729, or 5.1%. Compensated absences increased by \$14,099 or 2.7% in fiscal year 2011 to \$536,614 as a result of a proportional increase in the full-time employment base. *The county continues to aggressively follow its plan to pay down its long-term debt obligations in an effort to improve its financial operating position and to maintain structural budget integrity.*

Long-Term Debt Obligations

	Governmental Activities		Business-Type		Totals	
	2011	2010	2011	2010	2011	2010
Capital Leases	2,675,638	3,539,714			2,675,638	3,539,714
Notes Payable	93,447	105,773	3,897,515	4,100,918	3,990,962	4,206,691
Compensated Absences	528,612	518,515	8,002	4,000	536,614	522,515
Total	3,297,697	4,164,002	3,905,517	4,104,918	7,203,214	8,268,920

In sum, the County is less becoming reliant on capital leasing for machinery and equipment. While it is likely that lease financing will continue to be used when practical and advantageous to the County.

Economic Conditions Affecting the County

According to key economic indicators, the 2011 fiscal year saw Bulloch County's local economy continue to remain static consistent with the state and national recession.

Guarded optimism best describes Bulloch County's current economic outlook. In the first half of Calendar Year 2011, the County began to realize a bottoming-out of the economic decline from the preceding two years, followed by mild growth in the second half of the year and into 2012. Georgia Southern University continues its steady planned enrollment and campus facilities expansion, which has resulted in a substantial increase in student housing on and off campus. Bulloch County also continued its commitment to nurture existing industry and businesses that complement its existing business mix, while also planning the development of a new industrial park and interstate commercial center at I-16 and US 301. Both Briggs and Stratton and Viracon have stable manufacturing operations

in Bulloch County. The Wal-Mart Distribution Center remains the most active high-volume warehousing center of its kind within the corporation. Great Dane Trailers, LLC is poised to begin operations for a 450,000 square foot manufacturing facility to be opened in April 2012, employing up to 400 workers. The six-year old county-operated Splash in the 'Boro Aquatic Center and Water Park had a second outstanding season after a \$4.1 million expansion drawing over 60 percent of its nearly 160,000 annual customers from outside Bulloch County. Finally, being on the boundary of the Savannah metropolitan area offers advantages to Bulloch County from a regional perspective. The Savannah MSA is poised to be among the state's fastest recovering regions in 2012, 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. A primary issue is to address the gradual shifting of the County's economic base from manufacturing to increasing growth in the government, retail, services and construction sectors. Another challenge is to marshal continued growth in the manufacturing sector to remain diversification. Of course, there is 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.

- **Positive:** Population growth remains at a steady annual growth level of 2.5% +/- . With the official 2010 Census enumeration, Bulloch County population's in April 2010 was estimated at 70,217. The 2000 Census enumerated a county population of 55,983, an increase in excess of 25%.
- **Positive:** Per capita income for Bulloch County has increased from \$24,173 in 2008 to \$24,593 in 2009, or 1.7%.
- **Positive:** County sales taxes collections in FY 2011 increased by 2.2% from FY 2010 \$9,735,001 to \$9,951,001.
- **Negative to Neutral:** The county's employed workforce decreased from 28,417 to 28,411 from July 2010 to June 2011.
- **Negative:** The Consumer Price Index for the Urban South Consumers increased by 8.3% during the Fiscal Year 2011 period, largely attributable to increases in petroleum and food products.
- **Negative:** The monthly unemployment rate for Bulloch County in June 2011 was 11.5% which was above the level of 10.8% at the beginning in the fiscal year in July 2010. However, forecasts indicate that a decline should begin to occur consistent with state and national trends.
- **Negative:** The comprehensive net County-wide tax digest decreased 1.5% from \$1,769,690,083 in 2010 to \$1,742,529,046 in 2011.
- **Neutral:** The average weekly wage for all Bulloch County workers remained unchanged during the fiscal year at \$581.
- **Negative:** Single-family building permits decreased dramatically in Bulloch County and its municipalities from 231 units in Calendar Year 2010 to 174 units in 2011, a 24.7% decrease.
- **Negative:** Model based estimates indicate that the poverty rate in Bulloch County has increased from 26.1% in 2009 to 28.4% in 2010.

It is clear that in the short-term, there are lingering effects from the recent recession. Yet, Bulloch County has a growing population and is positioned for a stronger recovery thanks to its emergence as a regional center for post-secondary education, health care facilities and specialties, and retail and general business services. There is also potential spin-off growth from the greater Savannah area, as well as reports for the near-term of proposed multi-family and commercial real estate development activity.

Our short-term projection for Fiscal Year 2012 is that the statewide economy will continue to grow modestly, but virtually all segments of the local and regional economy, with the possible exception of construction and real estate related finance which is still in decline, will experience concurrent growth.

The following represents a qualitative forecast for the local economy for the forward fiscal year, FY 2012.

- Growth and output will increase marginally.
- Growth in the labor markets and job creation remain persistently slow.

- Short-term inflation is a threat as a recovery takes hold; however, it is dependent on monetary policy and actors in the global market place; the long-term inflation outlook is positive.
- Capital investments, profits, and personal income and investment will grow as the result of continued frugality by businesses and consumers.
- Consumer spending will increase at a better rate than in the past three years due to pent up demand and increases in saving and decreases in personal debt. However, spending will be tempered by slower wage growth.
- While most economic sectors of the economy will recover, finance, real estate and manufacturing remain tepid.

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

The most critical factor affecting County finances going forward will be the expected impact of foreclosures of bank owned properties. New assessment requirements by the State of Georgia mandate that sales prices be used as the fair market value in the year following the sale – a departure from previous assessment methods. Combining these factors will result in at least a 3% loss of property tax revenue beginning in Fiscal Year 2012.

Summary

In summary, at the close of June 30, 2011, 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. Fund balance was \$9.7 million at the close of fiscal year 2001, \$4.1 million at the close of fiscal year 2007 and \$7.9 million at the close of fiscal year 2011. The last four fiscal years has shown improvement with recurring revenues being sufficient to meet recurring expenditures, due to aggressive budgeting and financial monitoring.

In the last several fiscal years, the County has attempted to restrict expenditure growth by minimizing employee wage increases and deferring or eliminating certain operating and capital expenditures. To leverage cash flow, the County institutes limited purchases of needed machinery and equipment through capital or operating leases. Several County departments also raised fees and users charges where discretion prevailed, to cover the full cost of providing the service. Furthermore, the County continues to restructure administrative functions, and has periodically and internally audited specific operations for better efficiencies. However, the increasing demand for services by local citizens, unfunded mandates from higher levels of government for additional services, and extraordinary inflation in gasoline and construction prices place pressure on some of these austerity measures.

In Fiscal Year 2008, the Board of Commissioners adopted a general ad valorem property tax increase that included a five-year reserve stabilization plan for the General Fund. Bulloch County exceeded its goal by the third year of the five year stabilization plan by increasing the general fund balance in the amount of \$507,660, \$1,595,991 and \$1,429,035 respectively.

Proposed Five-Year General Fund Reserve Stabilization Plan

Fiscal Year	2008	2009	2010	2011	2012	2013
Projected Surplus (\$)	406,000	780,000	811,000	844,000	877,000	912,000
Actual/Projected Surplus (\$)	507,660	1,595,991	1,429,035	134,231	190,200	250,000
FYE Fund Balance (\$ in mil.)	4.604	6.200	7.629	7.942	8.132	8.382
Projected Budget (\$ in mil.)	29.1	29.5	31.1	31.3	30.9	32.0
FYE Fund Balance Ratio (%)	15.8	21.0	24.5	25.4	26.3	26.2

The reserve stabilization plan has rebuilt the General Fund balance to approximate the ideal level of 25% of revenues two years in advance.

The County will be looking at four key implementation items in fiscal year 2012 to continue improving both general efficiency and financial results. They are:

- Initiate a uniform automated timekeeping system to improve the accuracy and operation of payroll services.
- Hardware and software upgrades to effect enterprise resource planning that include web based networking to remote sites for management oversight and involvement at the Department level.
- Restructure some existing personnel and tasks to form a centralized revenue collection function to improve treasury management and compliance with mandated procedures.
- Utilize the aforementioned initiatives to progress toward true fund accounting and a full-fledged modified accrual accounting system.

Currently, except for the rural fire fund, the County's other special revenue, enterprise and internal fund structures are operating mostly in a favorable condition. However, all of 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:

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County Manager

James. H. Starling
Chief Financial Officer

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Statesboro, Georgia, 30459
(912) 764-6245

BULLOCH COUNTY, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Bulloch County Board of Health	Development Authority of Bulloch County
ASSETS					
Current Assets:					
Cash	\$ 18,528,454	\$ 1,649,081	\$ 20,177,535	\$ 1,365,648	\$ 1,617,794
Receivables:					
Taxes	844,046	-	844,046	-	-
Intergovernmental	1,858,760	-	1,858,760	99,147	16,017
Internal balances	163,760	(163,760)	-	-	-
Other	267,034	-	267,034	-	-
Prepaid items	712,578	-	712,578	-	-
Inventories	53,186	-	53,186	-	-
Total Current Assets	22,427,818	1,485,321	23,913,139	1,464,795	1,633,811
Capital Assets:					
Nondepreciable capital assets	4,876,649	329,177	5,205,826	-	9,234,714
Depreciable capital assets, net	53,694,957	10,079,829	63,774,786	99,681	3,470,691
Total Capital Assets	58,571,606	10,409,006	68,980,612	99,681	12,705,405
Total Assets	80,999,424	11,894,327	92,893,751	1,564,476	14,339,216
LIABILITIES					
Current Liabilities:					
Accounts payable	2,852,701	24,699	2,877,400	2,353	43,207
Accrued payroll	244,277	31,055	275,332	-	-
Accrued interest payable	21,992	19,812	41,804	-	-
Unearned revenue	32,999	-	32,999	-	349,684
Claims payable	249,635	-	249,635	-	-
Other liabilities	71,553	-	71,553	-	-
Compensated absences payable	105,722	1,600	107,322	29,376	-
Capital leases payable	927,466	-	927,466	-	-
Notes payable	12,697	215,358	228,055	-	-
Total Current Liabilities	4,519,042	292,524	4,811,566	31,729	392,891
Long-Term Liabilities:					
Compensated absences payable (net of current portion)	422,890	6,402	429,292	29,375	-
Capital leases payable (net of current portion)	1,748,172	-	1,748,172	-	-
Notes payable (net of current portion)	80,750	3,682,157	3,762,907	-	-
Total Long-Term Liabilities	2,251,812	3,688,559	5,940,371	29,375	-
Total Liabilities	6,770,854	3,981,083	10,751,937	61,104	392,891
NET ASSETS					
Invested in capital assets, net of related debt	55,802,521	6,511,491	62,314,012	99,681	12,705,405
Restricted for:					
Capital projects	9,493,913	-	9,493,913	-	-
Other purposes	1,255,593	-	1,255,593	518,170	-
Unrestricted	7,676,543	1,401,753	9,078,296	885,521	1,240,920
Total Net Assets	\$ 74,228,570	\$ 7,913,244	\$ 82,141,814	\$ 1,503,372	\$ 13,946,325

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Program/Function	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units	
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Business-type	Total	Bulloch County Board of Health	Development Authority of Bulloch County
					Activities	Activities			
Primary Government									
Governmental Activities									
General government	\$ 4,374,121	\$ 891,291	\$ 517,355	\$ 9,575	\$ (2,955,900)	-	\$ (2,955,900)		
Judicial	3,070,791	434,071	45,590	-	(2,591,130)	-	(2,591,130)		
Public safety	19,016,596	7,846,441	84,791	130,865	(10,954,499)	-	(10,954,499)		
Public works	9,677,537	53,428	-	15,795	(9,608,314)	-	(9,608,314)		
Sanitation	3,700,656	519,497	208,500	33,088	(2,939,571)	-	(2,939,571)		
Health and welfare	437,916	-	-	-	(437,916)	-	(437,916)		
Recreation	4,211,240	1,479,779	44,818	528,780	(2,157,863)	-	(2,157,863)		
Libraries	525,706	-	-	-	(525,706)	-	(525,706)		
Airport	770,103	572,627	2,410	58,231	(136,835)	-	(136,835)		
Housing and development	3,110,934	145,843	-	-	(2,965,091)	-	(2,965,091)		
Education	466,384	-	466,384	-	-	-	-		
Interest	136,518	-	-	-	(136,518)	-	(136,518)		
Total governmental activities	49,498,502	11,942,977	1,369,848	776,334	(35,409,343)	-	(35,409,343)		
Business-type Activities									
Aquatic Center	2,147,207	2,197,698	-	-	-	\$ 50,491	50,491		
Agribusiness Center	171,753	83,351	-	-	-	(88,402)	(88,402)		
Total business-type activities	2,318,960	2,281,049	-	-	-	(37,911)	(37,911)		
Total - Primary Government	\$ 51,817,462	\$ 14,224,026	\$ 1,369,848	\$ 776,334	(35,409,343)	(37,911)	(35,447,254)		
Component Units:									
Bulloch County Board of Health	\$ 1,562,165	\$ 518,170	\$ 1,140,037	-			\$ 96,042	-	
Development Authority of Bulloch County	488,048	206,775	200,000	\$ 2,179,594			-	\$ 2,098,321	
Total Component Units	\$ 2,050,213	\$ 724,945	\$ 1,340,037	\$ 2,179,594			96,042	2,098,321	
General Revenues									
Property taxes levied for:									
General purposes					18,952,853	-	18,952,853	-	
Fire protection					549,174	-	549,174	-	
Streetlight tax districts					68,225	-	68,225	-	
Sales taxes					9,951,001	-	9,951,001	-	
Insurance premium tax					1,497,211	-	1,497,211	-	
Other taxes					1,058,091	-	1,058,091	-	
Gain on sale of capital assets					292,582	-	292,582	-	
Interest earned					32,163	238	32,401	48,024	
Miscellaneous					482,146	-	482,146	(74,830)	
Total General Revenues					32,883,446	238	32,883,684	(26,806)	
Transfers					153,400	(153,400)	-	-	
Total General Revenues and Transfers					33,036,846	(153,162)	32,883,684	(26,806)	
Change in Net Assets					(2,372,497)	(191,073)	(2,563,570)	96,042	
Net Assets Beginning of Year					76,601,067	8,104,317	84,705,384	1,407,330	
Net Assets End of Year					\$ 74,228,570	\$ 7,913,244	\$ 82,141,814	\$ 1,503,372	

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General	SPLOST 97	SPLOST 02	SPLOST 07	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 7,414,868	\$ 712,067	\$ 5,035,244	\$ 4,302,204	\$ 642,605	\$ 18,106,988
Receivables:						
Taxes	811,367	-	-	-	32,679	844,046
Intergovernmental	359,021	-	-	1,412,102	87,637	1,858,760
Other	11,711	-	-	1,570	238,534	251,815
Due from other funds	232,655	-	-	-	1,760	234,415
Prepaid items	689,144	-	-	-	7,288	696,432
Inventories	-	-	-	-	53,186	53,186
TOTAL ASSETS	\$ 9,518,766	\$ 712,067	\$ 5,035,244	\$ 5,715,876	\$ 1,063,689	\$ 22,045,642
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 640,251	\$ 1,891	-	\$ 1,925,258	\$ 285,301	\$ 2,852,701
Accrued payroll	199,137	-	-	-	45,140	244,277
Due to other funds	122,559	1,930	\$ 26,708	13,487	28,530	193,214
Deferred revenue	583,601	-	-	-	56,541	640,142
Other	30,828	-	-	-	40,725	71,553
TOTAL LIABILITIES	1,576,376	3,821	26,708	1,938,745	456,237	4,001,887
FUND BALANCES						
Nonspendable	689,144	-	-	-	5,637	694,781
Restricted	-	708,246	5,008,536	3,777,131	1,249,956	10,743,869
Assigned	499,510	-	-	-	-	499,510
Unassigned	6,753,736	-	-	-	(648,141)	6,105,595
TOTAL FUND BALANCES	7,942,390	708,246	5,008,536	3,777,131	607,452	18,043,755
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,518,766	\$ 712,067	\$ 5,035,244	\$ 5,715,876	\$ 1,063,689	\$ 22,045,642

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, 2011

Total Governmental Fund Balances **\$ 18,043,755**

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	\$ 184,308,753	
Less accumulated depreciation	(125,737,147)	58,571,606

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

Property taxes		607,143
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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	\$ 193,214	
Interfund payables	(193,214)	-

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

325,755

Liabilities, including capital leases, notes payable, compensated absences, and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds but are reported on the statement of net assets:

Accrued interest payable	\$ (21,992)	
Capital leases payable	(2,675,638)	
Notes payable	(93,447)	
Compensated absences	(528,612)	(3,319,689)

Net Assets Of Governmental Activities **\$ 74,228,570**

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, 2011

	General	SPLOST 97	SPLOST 02	SPLOST 07	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 21,505,492	-	-	\$ 9,951,001	\$ 616,459	\$ 32,072,952
Licenses and permits	445,343	-	-	-	-	445,343
Charges for services	5,501,994	-	-	-	3,390,238	8,892,232
Fees, fines and forfeitures	1,884,067	-	-	-	244,374	2,128,441
Intergovernmental	1,227,286	-	\$ 250,000	317,664	326,604	2,121,554
Interest	29,365	\$ 890	6,546	8,359	2,492	47,652
Other	752,764	-	-	7,500	207,676	967,940
Total revenues	<u>31,346,311</u>	<u>890</u>	<u>256,546</u>	<u>10,284,524</u>	<u>4,787,843</u>	<u>46,676,114</u>
EXPENDITURES						
Current:						
General government	3,927,964	-	-	-	-	3,927,964
Judicial	2,897,532	-	-	-	450	2,897,982
Public safety	14,367,836	-	-	-	2,003,588	16,371,424
Public works	2,858,543	-	-	-	64,015	2,922,558
Sanitation	1,967,772	-	-	-	91,766	2,059,538
Health and welfare	315,146	-	-	-	-	315,146
Recreation	-	-	-	-	3,915,836	3,915,836
Libraries	517,500	-	-	-	-	517,500
Airport	-	-	-	-	618,117	618,117
Housing and development	913,595	-	-	-	5,692	919,287
Capital outlay						
General government	-	-	115,139	374,931	-	490,070
Judicial	-	-	22,363	116,471	-	138,834
Public safety	-	-	135,773	515,663	507,627	1,159,063
Sanitation	-	-	109,358	2,023,775	-	2,133,133
Public works	-	-	19,764	2,430,791	-	2,450,555
Recreation	-	-	454,392	1,550,338	98,966	2,103,696
Airport	-	-	120	-	58,231	58,351
Housing and development	-	-	-	2,179,594	-	2,179,594
Debt service:						
Principal	529,197	-	83,802	979,415	50,193	1,642,607
Interest	44,342	-	14,034	100,863	-	159,239
Intergovernmental	466,384	-	332,398	3,828,479	-	4,627,261
Total expenditures	<u>28,805,811</u>	<u>-</u>	<u>1,287,143</u>	<u>14,100,320</u>	<u>7,414,481</u>	<u>51,607,755</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,540,500</u>	<u>890</u>	<u>(1,030,597)</u>	<u>(3,815,796)</u>	<u>(2,626,638)</u>	<u>(4,931,641)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	158,250	-	-	-	2,474,756	2,633,006
Transfers out	(2,564,469)	-	-	-	(4,850)	(2,569,319)
Proceeds from capital leases	-	-	-	575,205	191,000	766,205
Sale of capital assets	-	-	-	476,000	-	476,000
Total other financing sources (uses)	<u>(2,406,219)</u>	<u>-</u>	<u>-</u>	<u>1,051,205</u>	<u>2,660,906</u>	<u>1,305,892</u>
NET CHANGE IN FUND BALANCES	134,281	890	(1,030,597)	(2,764,591)	34,268	(3,625,749)
FUND BALANCES, JULY 1, 2010, as restated	7,808,109	707,356	6,039,133	6,541,722	573,184	21,669,504
FUND BALANCES, JUNE 30, 2011	<u>\$ 7,942,390</u>	<u>\$ 708,246</u>	<u>\$ 5,008,536</u>	<u>\$ 3,777,131</u>	<u>\$ 607,452</u>	<u>\$ 18,043,755</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, 2011

Net Change In Fund Balances - Total Governmental Funds \$ (3,625,749)

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	\$ (6,459,366)	
Capital outlay	<u>6,677,652</u>	218,286

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 @ 6/30/11	607,143	
Deferred @ 6/30/10	<u>(603,540)</u>	3,603

Elimination of transfers between governmental funds:

Transfers in	2,569,319	
Transfers out	<u>(2,569,319)</u>	-

Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities. (183,418)

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. 325,755

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. (766,205)

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. 1,642,607

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. 12,624

Change In Net Assets of Governmental Activities \$ (2,372,497)

BULLOCH COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 18,714,700	\$ 19,188,250	\$ 18,955,882	\$ (232,368)
Alcoholic beverage	203,000	203,000	270,413	67,413
Insurance premium	1,549,000	1,549,000	1,497,211	(51,789)
Other	656,000	656,000	781,986	125,986
Licenses and permits	387,000	387,000	445,343	58,343
Charges for services	5,374,750	5,422,750	5,501,994	79,244
Fines and forfeitures	1,626,000	1,876,000	1,884,067	8,067
Intergovernmental	1,673,600	1,673,600	1,227,286	(446,314)
Interest	18,000	18,000	29,365	11,365
Other	663,120	663,120	752,764	89,644
Total revenues	<u>30,865,170</u>	<u>31,636,720</u>	<u>31,346,311</u>	<u>(290,409)</u>
EXPENDITURES				
Current:				
General government:				
Governing body	125,500	125,500	118,403	7,097
County manager	303,800	303,800	291,781	12,019
County clerk	68,000	74,700	74,178	522
Financial administration	457,600	547,600	470,075	77,525
Staff attorney	167,500	167,500	146,608	20,892
Human resources	83,900	83,900	77,756	6,144
Public relations	42,000	52,700	52,090	610
General administration fees	41,000	43,700	43,354	346
Elections	311,600	245,600	238,655	6,945
General government buildings	617,300	697,700	670,636	27,064
Risk management/General insurance	493,200	433,200	408,165	25,035
Tax assessor	660,700	610,700	594,379	16,321
Geographic information system	126,400	130,400	129,227	1,173
Tax commissioner	631,200	631,200	612,657	18,543
Total general government	<u>4,129,700</u>	<u>4,148,200</u>	<u>3,927,964</u>	<u>220,236</u>
Judicial:				
Clerk of Courts	720,400	792,400	789,543	2,857
Superior Court	244,000	244,000	224,907	19,093
State Court	267,100	282,300	280,303	1,997
State Court Solicitor	169,000	171,000	170,344	656
District Attorney	287,500	287,600	287,521	79
Indigent defense	321,000	329,000	328,508	492
Magistrate Court	576,900	576,900	565,701	11,199
Probate Court	280,200	260,200	250,705	9,495
Total judicial	<u>2,866,100</u>	<u>2,943,400</u>	<u>2,897,532</u>	<u>45,868</u>
Public safety:				
Animal control	87,300	87,300	74,140	13,160
Animal shelter	322,600	394,200	391,797	2,403
Coroner	79,300	84,300	82,410	1,890
County correctional	1,420,400	1,737,300	1,722,649	14,651
Public safety administration	159,200	159,200	146,455	12,745
Probation	460,000	485,000	481,831	3,169
Emergency medical service	2,185,300	2,210,600	2,206,080	4,520
Emergency management	54,000	54,000	13,535	40,465
Jail	4,445,800	4,462,800	4,451,420	11,380
Rescue	16,000	16,000	11,811	4,189
Sheriff	3,814,500	4,123,100	4,103,499	19,601
Vice control	418,600	440,600	437,738	2,862
Court security/Sheriff	248,500	248,500	244,471	4,029
Total public safety	<u>13,711,500</u>	<u>14,502,900</u>	<u>14,367,836</u>	<u>135,064</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, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Public works:				
Roads	\$ 2,586,700	2,601,700	\$ 2,494,243	\$ 107,457
Fleet management	317,400	372,400	364,300	8,100
Total public works	<u>2,904,100</u>	<u>2,974,100</u>	<u>2,858,543</u>	<u>115,557</u>
Sanitation	<u>1,941,500</u>	<u>1,989,500</u>	<u>1,967,772</u>	<u>21,728</u>
Health and welfare:				
Health department	166,000	166,000	166,000	-
Other health and welfare	126,300	157,800	149,146	8,654
Total health and welfare	<u>292,300</u>	<u>323,800</u>	<u>315,146</u>	<u>8,654</u>
Libraries	<u>517,500</u>	<u>517,500</u>	<u>517,500</u>	<u>-</u>
	<u>517,500</u>	<u>517,500</u>	<u>517,500</u>	<u>-</u>
Housing and development:				
Agricultural resources	202,800	172,800	164,914	7,886
Building inspections	326,200	326,200	320,334	5,866
Planning and zoning	170,700	170,700	161,422	9,278
Code enforcement	65,000	69,500	68,480	1,020
Economic development	200,000	200,000	198,445	1,555
Total housing and development	<u>964,700</u>	<u>939,200</u>	<u>913,595</u>	<u>25,605</u>
Debt service:				
Principal	279,450	529,450	529,197	253
Interest	-	50,000	44,342	5,658
Total debt service	<u>279,450</u>	<u>579,450</u>	<u>573,539</u>	<u>5,911</u>
Intergovernmental - Bulloch County Board of Education	<u>650,000</u>	<u>470,000</u>	<u>466,384</u>	<u>3,616</u>
Total expenditures	<u>28,256,850</u>	<u>29,388,050</u>	<u>28,805,811</u>	<u>582,239</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,608,320</u>	<u>2,248,670</u>	<u>2,540,500</u>	<u>291,830</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	176,000	176,000	158,250	(17,750)
Transfers out	(2,345,000)	(2,435,000)	(2,564,469)	(129,469)
Sale of capital assets	10,330	10,330	-	(10,330)
Total other financing sources (uses)	<u>(2,158,670)</u>	<u>(2,248,670)</u>	<u>(2,406,219)</u>	<u>(157,549)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 449,650</u>	<u>\$ -</u>	<u>134,281</u>	<u>\$ 134,281</u>
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED			<u>7,808,109</u>	
FUND BALANCE, END OF YEAR			<u>\$ 7,942,390</u>	

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Aquatic Center	Agribusiness Center	Total	Employee Insurance Fund
ASSETS				
Current Assets				
Cash	\$ 1,660,312	\$ (11,231)	\$ 1,649,081	\$ 421,466
Accounts receivable	-	-	-	15,219
Prepaid expense	-	-	-	16,146
Due from other funds	-	-	-	122,559
Total Current Assets	<u>1,660,312</u>	<u>(11,231)</u>	<u>1,649,081</u>	<u>575,390</u>
Noncurrent Assets				
Capital Assets				
Land	73,305	255,872	329,177	-
Buildings and improvements	9,316,707	2,960,644	12,277,351	-
Machinery and equipment	587,029	3,686	590,715	-
Less accumulated depreciation	(2,185,959)	(602,278)	(2,788,237)	-
Total Capital Assets	<u>7,791,082</u>	<u>2,617,924</u>	<u>10,409,006</u>	<u>-</u>
Total Assets	<u>9,451,394</u>	<u>2,606,693</u>	<u>12,058,087</u>	<u>575,390</u>
LIABILITIES				
Current Liabilities				
Accounts payable	13,398	11,301	24,699	-
Accrued payroll	31,055	-	31,055	-
Accrued interest payable	19,812	-	19,812	-
Note payable	215,358	-	215,358	-
Claims payable	-	-	-	249,635
Compensated absences payable	1,600	-	1,600	-
Due to other funds	163,760	-	163,760	-
Total Current Liabilities	<u>444,983</u>	<u>11,301</u>	<u>456,284</u>	<u>249,635</u>
Long-Term Liabilities				
Compensated absences payable (net of current portion)	6,402	-	6,402	-
Note payable (net of current portion)	3,682,157	-	3,682,157	-
Total Long-Term Liabilities	<u>3,688,559</u>	<u>-</u>	<u>3,688,559</u>	<u>-</u>
Total Liabilities	<u>4,133,542</u>	<u>11,301</u>	<u>4,144,843</u>	<u>249,635</u>
NET ASSETS				
Invested in capital assets, net of related debt	3,893,567	2,617,924	6,511,491	-
Unrestricted	1,424,285	(22,532)	1,401,753	325,755
Total Net Assets	<u>\$ 5,317,852</u>	<u>\$ 2,595,392</u>	<u>\$ 7,913,244</u>	<u>\$ 325,755</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, 2011

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Aquatic Center	Agribusiness Center	Total	Employee Insurance Fund
OPERATING REVENUES				
Charges for services	\$ 2,197,698	-	\$ 2,197,698	-
Premiums	-	-	-	\$ 3,957,185
Rents	-	\$ 83,351	83,351	-
Total operating revenues	<u>2,197,698</u>	<u>83,351</u>	<u>2,281,049</u>	<u>3,957,185</u>
OPERATING EXPENSES				
Administration	1,430,816	95,590	1,526,406	467,871
Depreciation	471,939	76,163	548,102	-
Claims	-	-	-	3,253,578
Total operating expenses	<u>1,902,755</u>	<u>171,753</u>	<u>2,074,508</u>	<u>3,721,449</u>
OPERATING INCOME (LOSS)	<u>294,943</u>	<u>(88,402)</u>	<u>206,541</u>	<u>235,736</u>
NON-OPERATING REVENUE(EXPENSE)				
Interest income	238	-	238	306
Interest expense	(244,452)	-	(244,452)	-
Total non-operating revenue (expense)	<u>(244,214)</u>	<u>-</u>	<u>(244,214)</u>	<u>306</u>
INCOME (LOSS) BEFORE TRANSFERS	50,729	(88,402)	(37,673)	236,042
TRANSFERS IN (OUT)	<u>(153,400)</u>	<u>-</u>	<u>(153,400)</u>	<u>89,713</u>
CHANGE IN NET ASSETS	(102,671)	(88,402)	(191,073)	325,755
NET ASSETS, JULY 1, 2010	<u>5,420,523</u>	<u>2,683,794</u>	<u>8,104,317</u>	<u>-</u>
NET ASSETS, JUNE 30, 2011	<u>\$ 5,317,852</u>	<u>\$ 2,595,392</u>	<u>\$ 7,913,244</u>	<u>\$ 325,755</u>

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2011

	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	\$ 2,197,698	\$ 83,351	\$ 2,281,049	\$ 3,957,185
Cash payments to employees for services	(694,176)	-	(694,176)	-
Cash payments for goods and services	(726,941)	(84,521)	(811,462)	(467,871)
Cash payments for claims	-	-	-	(3,322,615)
Net cash provided (used) by operating activities	<u>776,581</u>	<u>(1,170)</u>	<u>775,411</u>	<u>166,699</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from (to) other funds	(206,240)	-	(206,240)	(171,136)
Transfers in (out)	(153,400)	-	(153,400)	89,713
Net cash provided (used) by noncapital financing activities	<u>(359,640)</u>	<u>-</u>	<u>(359,640)</u>	<u>(81,423)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on note payable	(203,403)	-	(203,403)	-
Interest paid on note payable	(246,460)	-	(246,460)	-
Purchase of capital assets	(83,178)	-	(83,178)	-
Net cash provided (used) by capital and related financing activities	<u>(533,041)</u>	<u>-</u>	<u>(533,041)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	238	-	238	306
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(115,862)</u>	<u>(1,170)</u>	<u>(117,032)</u>	<u>85,582</u>
CASH AND CASH EQUIVALENTS, JULY 1, 2010	<u>1,776,174</u>	<u>(10,061)</u>	<u>1,766,113</u>	<u>335,884</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	<u>\$ 1,660,312</u>	<u>\$ (11,231)</u>	<u>\$ 1,649,081</u>	<u>\$ 421,466</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 294,943	\$ (88,402)	\$ 206,541	\$ 235,736
Adjustments:				
Depreciation	471,939	76,163	548,102	-
(Increase) decrease in operating assets:				
Accounts receivable	-	-	-	(8,296)
Prepaid items	-	-	-	-
Increase (decrease) in operating liabilities:				
Accounts payable	(951)	11,301	10,350	-
Claims payable	-	-	-	(60,741)
Accrued payroll	6,648	(232)	6,416	-
Compensated absences payable	4,002	-	4,002	-
Net cash provided (used) by operating activities	<u>\$ 776,581</u>	<u>\$ (1,170)</u>	<u>\$ 775,411</u>	<u>\$ 166,699</u>

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2011

ASSETS

Cash	\$ 973,634
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LIABILITIES

Due to other entities and individuals	\$ 973,634
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See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

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.

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. The Statesboro/Bulloch County Airport special revenue fund reported an allowance for uncollectibles of \$20,000 at June 30, 2011.

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, 2011, 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. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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

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

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

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

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

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

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Committed
- Assigned
- Unassigned

Net 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).

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.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

All budgets are adopted on a basis consistent with GAAP.

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

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

All unexpended annual appropriations lapse at year-end.

Excess of Expenditures Over Appropriations

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

	<u>Overexpenditures</u>
Airport	\$ 12,117
BCCI inmate fund	1,080
Jail inmate phone fund	95,402
Rural fire fund	48,549
Sheriff's confiscated assets fund	24,562

Deficit Fund Balance

The Rural Fire Protection Fund had a deficit fund balance of \$648,141 at June 30, 2011 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, 2011, the carrying amount of the County’s deposits (checking and certificates of deposit) was \$21,151,169 and the bank balance was \$21,751,847. Of the bank balance, \$2,322,079 was covered by federal depository insurance and \$19,429,768 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 \$1,617,794 and the bank balance was \$1,643,450 of which \$272,715 was covered by federal depository insurance and \$1,370,735 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 \$1,365,648 and the bank balance was \$1,422,812, which was covered by FDIC insurance or pledged securities held in the Health Department’s name.

NOTE 4 – PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about October 20th of each year and are payable within sixty days. The County bills and collects its own property taxes and also collects taxes for the Bulloch County Board of Education, State of Georgia and cities within the County. Collection of the County’s taxes and for the other government agencies is the responsibility of the Tax Commissioner’s Office, which is accounted for in an Agency Fund. County property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended June 30, 2011, property taxes were levied on August 3, 2010, and were due December 1, 2010.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2011 is as follows:

Receivable Fund	Payable Fund	Amount
General	E-911	\$ 11,050
	SPLOST 02	26,708
	SPLOST 97	1,930
	Jail Add-On Fee	16,632
	Aquatic	162,000
	Parks and Recreation	848
	SPLOST 07	13,487
	Parks and Recreation	1,760
Employee Insurance	General	122,559
Total		\$ 356,974

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Interfund balances at June 30, 2011 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, 2011, consisted of the following:

Transfers To:	Transfers From:			Total
	General Fund	Non-major Governmental Funds	Aquatic Center	
Parks and Recreation Fund	\$ 2,474,756	-	-	\$ 2,474,756
General Fund	-	\$ 4,850	\$ 153,400	158,250
Employee Insurance Fund	89,713	-	-	89,713
Total	<u>\$ 2,564,469</u>	<u>\$ 4,850</u>	<u>\$ 153,400</u>	<u>\$ 2,722,719</u>

Transfers from the general fund are used primarily to help fund the parks and recreation special revenue fund and employee insurance internal service fund. 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, 2011 was as follows:

	Balance 7/1/2010	Additions	Deductions	Balance 6/30/2011
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,697,918	-	-	\$ 2,697,918
Construction in progress	2,071,423	\$ 1,669,051	\$ 1,561,743	2,178,731
Total capital assets not being depreciated	4,769,341	1,669,051	1,561,743	4,876,649
Capital assets being depreciated:				
Buildings	37,806,246	2,171,547	-	39,977,793
Improvements other than buildings	4,741,999	880,080	-	5,622,079
Machinery and equipment	19,680,401	2,694,144	2,944,339	19,430,206
Infrastructure	113,577,453	824,573	-	114,402,026
Total capital assets being depreciated	175,806,099	6,570,344	2,944,339	179,432,104
Total capital assets	180,575,440	8,239,395	4,506,082	184,308,753
Accumulated depreciation:				
Buildings	10,581,028	1,004,013	-	11,585,041
Improvements other than buildings	1,865,718	238,870	-	2,104,588
Machinery and equipment	12,336,197	2,494,103	2,760,921	12,069,379
Infrastructure	97,255,759	2,722,380	-	99,978,139
Total accumulated depreciation	122,038,702	6,459,366	2,760,921	125,737,147
Governmental activities capital assets, net	\$ 58,536,738	\$ 1,780,029	\$ 1,745,161	\$ 58,571,606

Governmental activities depreciation expense:

General government	\$ 230,967
Judicial	178,098
Public safety	1,595,129
Public works	3,636,906
Sanitation	194,296
Health and welfare	122,770
Recreation	313,597
Libraries	8,206
Airport	161,473
Housing and development	17,924
Total governmental activities depreciation expense	\$ 6,459,366

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2011 for the County's enterprise funds was as follows:

	Balance 7/1/2010	Additions	Deductions	Balance 6/30/2011
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 329,177	-	-	\$ 329,177
Capital assets being depreciated:				
Buildings	7,042,188	-	-	7,042,188
Improvements other than buildings	5,162,992	\$ 72,171	-	5,235,163
Machinery and equipment	579,708	11,007	-	590,715
Total capital assets being depreciated	12,784,888	83,178	-	12,868,066
Total capital assets	13,114,065	83,178	-	13,197,243
Accumulated depreciation:				
Buildings	1,268,298	207,970	-	1,476,268
Machinery and equipment	289,097	59,353	-	348,450
Improvements other than buildings	682,740	280,779	-	963,519
Total accumulated depreciation	2,240,135	548,102	-	2,788,237
Business-type activities capital assets, net	<u>\$ 10,873,930</u>	<u>\$ (464,924)</u>	<u>-</u>	<u>\$ 10,409,006</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 \$5,776,928. 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.

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, 2011:

Year ending June 30	
2011	\$ 999,722
2012	574,468
2013	911,348
2014	389,820
Total minimum lease payments	2,875,358
Less amount representing interest	199,720
Present value of future minimum lease payments	<u>\$ 2,675,638</u>

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – NOTES PAYABLE

Notes payable at June 30, 2011 consisted of a note payable to the Georgia Environmental Facilities Authority (GEFA) for expenditures incurred 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 requires monthly payments of \$1,278, including interest at 3 percent through March 1, 2018. This loan had an outstanding balance of \$93,447 at June 30, 2011. 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 \$3,897,515 at June 30, 2011.

As of June 30, 2011, annual debt service requirements to maturity are as follows:

Year ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 12,697	\$ 2,633	\$ 15,330	\$ 215,358	\$ 234,505	\$ 449,863
2013	13,083	2,247	15,330	229,290	220,573	449,863
2014	13,481	1,849	15,330	243,450	206,413	449,863
2015	13,891	1,439	15,330	258,485	191,378	449,863
2016	14,313	1,017	15,330	273,980	175,883	449,863
2017-2021	25,982	730	26,712	1,647,974	601,340	2,249,314
2022-2024	-	-	-	1,028,978	95,679	1,124,657
	<u>\$ 93,447</u>	<u>\$ 9,915</u>	<u>\$ 103,362</u>	<u>\$ 3,897,515</u>	<u>\$ 1,725,771</u>	<u>\$ 5,623,286</u>

NOTE 9 – CHANGES IN LONG-TERM DEBT

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Amounts Due In One Year
Governmental Activities					
Compensated absences payable	\$ 518,515	\$ 25,057	\$ 14,960	\$ 528,612	\$ 105,722
Capital leases payable	3,539,714	766,205	1,630,281	2,675,638	927,466
Notes payable	105,773	-	12,326	93,447	12,697
Total Governmental Activities	<u>\$ 4,164,002</u>	<u>\$ 791,262</u>	<u>\$ 1,657,567</u>	<u>\$ 3,297,697</u>	<u>\$ 1,045,885</u>
Business-Type Activities					
Compensated absences payable	\$ 4,000	\$ 4,002	\$ -	\$ 8,002	\$ 1,600
Notes payable	4,100,918	-	203,403	3,897,515	215,358
Total Business-Type Activities	<u>\$ 4,104,918</u>	<u>\$ 4,002</u>	<u>\$ 203,403</u>	<u>\$ 3,905,517</u>	<u>\$ 216,958</u>

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – CHANGES IN LONG-TERM DEBT (Continued)

The compensated absences liability will be paid from the fund from which the employees' salaries are paid which is primarily the General Fund 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 SPLOST 02 capital projects fund for governmental activities and the Aquatic Center for the business-type activities.

NOTE 10 – FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2011, governmental fund balances are composed of the following:

	<u>General Fund</u>	<u>SPLOST 97</u>	<u>SPLOST 02</u>	<u>SPLOST 07</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:						
Prepaid items	\$ 689,144	-	-	-	\$ 5,637	\$ 694,781
Restricted:						
Capital projects	-	\$ 708,246	\$ 5,008,536	\$ 3,777,131	-	9,493,913
Sheriff	-	-	-	-	27,133	27,133
Correctional facility	-	-	-	-	7,371	7,371
Airport	-	-	-	-	297,177	297,177
Public safety projects	-	-	-	-	28,239	28,239
Drug education	-	-	-	-	70,122	70,122
Jail	-	-	-	-	133,961	133,961
E-911 services	-	-	-	-	377,988	377,988
Greenspace project	-	-	-	-	19,888	19,888
Juvenile services	-	-	-	-	14,353	14,353
Sanitation	-	-	-	-	60,248	60,248
Recreation	-	-	-	-	167,468	167,468
Streetlight districts	-	-	-	-	46,008	46,008
Total restricted	-	708,246	5,008,536	3,777,131	1,249,956	10,743,869
Assigned:						
Subsequent years' budget	499,510	-	-	-	-	499,510
Unassigned	6,753,736	-	-	-	(648,141)	6,105,595
Total fund balances	\$ 7,942,390	\$ 708,246	\$ 5,008,536	\$ 3,777,131	\$ 607,452	\$ 18,043,755

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – 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, 2011, the County contributed \$789,724 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.

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, 2011 were \$73,963. Contributions are fully vested to employees after 10 years of continuous service.

NOTE 12 – 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 \$3,013,534.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – EMPLOYEE INSURANCE FUND (Continued)

The claims liability of \$249,635 reported at June 30, 2011 represents known claims incurred on or prior to June 30, 2011 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
2010	\$ 262,205	\$ 3,251,249	\$ 3,203,078	\$ 310,376
2011	\$ 310,376	\$ 3,253,578	\$ 3,314,319	\$ 249,635

NOTE 13 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other counties in the state as part of the Association of County Commissioners of Georgia (ACCG) Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia (ACCG) Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management insurance program for member local governments.

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

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

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

NOTE 14 – 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.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 15 – JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the ten county Southeast Georgia area, is a member of the Coastal Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2011, the County paid \$37,070 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Coastal Georgia Regional Commission
 Post Office Box 1917
 Brunswick, Georgia 31521

NOTE 16 – HOTEL/MOTEL LODGING TAX

The county has levied a five percent lodging tax. A summary of the transactions for the year ended June 30, 2011 follows:

		<u>Percentage of tax receipts</u>
Lodging tax receipts	\$ 5,692	
Disbursements to the:		
Statesboro Convention and Visitors	(4,326)	76.0%
Bureau for promotion of tourism		
Statesboro Arts Council for performing arts center	(1,081)	19.0%
County for administrative costs	(285)	5.0%
 Total	 <u><u>\$ -</u></u>	

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

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 17 – RESTATEMENT OF FUND BALANCES

As a result of adopting GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balance has been restated for the general fund to include the fund balances from special revenue funds that were previously reported as separate funds, but do not meet the requirements of special revenue funds under GASB 54

	<u>General Fund</u>	<u>Emergency Management Agency Fund</u>	<u>Hospital Building Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
Fund balance, June 30, 2010, as previously reported	\$ 7,629,141	\$ 80,018	\$ 73,240	\$ 25,710	\$ 7,808,109
Restatement for adopting GASB 54	<u>178,968</u>	<u>(80,018)</u>	<u>(73,240)</u>	<u>(25,710)</u>	<u>-</u>
Fund balance, July 1, 2010, as restated	<u>\$ 7,808,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,808,109</u>

BULLOCH COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Statesboro/ Bulloch County Airport Fund	BCCI Inmate Fund	Designated Projects Fund	Drug Education Fund	Jail Inmate Phone Fund	E-911 Fund	Grants Fund	Greenspace Fund	Hotel/ Motel Tax Fund
ASSETS									
Cash	\$ 214,337	\$ 7,371	\$ 27,150	\$ 76,920	\$ 42,992	\$ 228,158	\$ (54,188)	\$ 19,888	\$ 37
Intergovernmental receivable	-	-	-	-	-	-	87,187	-	-
Accounts receivable	38,009	-	1,089	-	-	199,436	-	-	-
Taxes receivable	-	-	-	-	-	-	-	-	1,467
Due from other funds	-	-	-	-	-	-	-	-	-
Prepaid items	5,637	-	-	-	-	-	-	-	-
Inventories	53,186	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 311,169</u>	<u>\$ 7,371</u>	<u>\$ 28,239</u>	<u>\$ 76,920</u>	<u>\$ 42,992</u>	<u>\$ 427,594</u>	<u>\$ 32,999</u>	<u>\$ 19,888</u>	<u>\$ 1,504</u>
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable	\$ 7,802	-	-	\$ 6,798	\$ 9,775	\$ 30,662	-	-	\$ 1,504
Accrued payroll	553	-	-	-	-	7,894	-	-	-
Deferred revenue	-	-	-	-	-	-	\$ 32,999	-	-
Due to other funds	-	-	-	-	-	11,050	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total liabilities	<u>8,355</u>	<u>-</u>	<u>-</u>	<u>6,798</u>	<u>9,775</u>	<u>49,606</u>	<u>32,999</u>	<u>-</u>	<u>1,504</u>
Fund balance:									
Nonspendable	5,637	-	-	-	-	-	-	-	-
Restricted	297,177	\$ 7,371	\$ 28,239	70,122	33,217	377,988	-	\$ 19,888	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balance	<u>302,814</u>	<u>7,371</u>	<u>28,239</u>	<u>70,122</u>	<u>33,217</u>	<u>377,988</u>	<u>-</u>	<u>19,888</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 311,169</u>	<u>\$ 7,371</u>	<u>\$ 28,239</u>	<u>\$ 76,920</u>	<u>\$ 42,992</u>	<u>\$ 427,594</u>	<u>\$ 32,999</u>	<u>\$ 19,888</u>	<u>\$ 1,504</u>

BULLOCH COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	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	Streetlight Tax Districts Fund	Total Nonmajor Special Revenue Funds
ASSETS										
Cash	\$ 28,053	\$ 89,323	\$ 14,353	\$ 60,471	\$ 429,162	\$ (614,563)	\$ 9,630	\$ 17,503	\$ 46,008	\$ 642,605
Intergovernmental receivable	-	-	-	450	-	-	-	-	-	87,637
Accounts receivable	-	-	-	-	-	-	-	-	-	238,534
Taxes receivable	-	-	-	-	-	31,212	-	-	-	32,679
Due from other funds	-	-	-	-	1,760	-	-	-	-	1,760
Prepaid items	-	-	-	-	-	1,651	-	-	-	7,288
Inventories	-	-	-	-	-	-	-	-	-	53,186
TOTAL ASSETS	\$ 28,053	\$ 89,323	\$ 14,353	\$ 60,921	\$ 430,922	\$ (581,700)	\$ 9,630	\$ 17,503	\$ 46,008	\$ 1,063,689
LIABILITIES AND FUND BALANCE										
Liabilities:										
Accounts payable	-	-	-	-	\$ 186,585	\$ 42,175	-	-	-	\$ 285,301
Accrued payroll	-	-	-	\$ 673	35,296	724	-	-	-	45,140
Deferred revenue	-	-	-	-	-	23,542	-	-	-	56,541
Due to other funds	\$ 16,632	-	-	-	848	-	-	-	-	28,530
Other	-	-	-	-	40,725	-	-	-	-	40,725
Total liabilities	16,632	-	-	673	263,454	66,441	-	-	-	456,237
Fund balance:										
Nonspendable	-	-	-	-	-	-	-	-	-	5,637
Restricted	11,421	\$ 89,323	\$ 14,353	60,248	167,468	-	\$ 9,630	\$ 17,503	\$ 46,008	1,249,956
Unassigned	-	-	-	-	-	(648,141)	-	-	-	(648,141)
Total fund balance	11,421	89,323	14,353	60,248	167,468	(648,141)	9,630	17,503	46,008	607,452
TOTAL LIABILITIES AND FUND BALANCE	\$ 28,053	\$ 89,323	\$ 14,353	\$ 60,921	\$ 430,922	\$ (581,700)	\$ 9,630	\$ 17,503	\$ 46,008	\$ 1,063,689

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Statesboro/ Bulloch County Airport Fund	BCCI Inmate Fund	Designated Projects Fund	Drug Education Fund	Jail Inmate Phone Fund	E-911 Fund	Grants Fund	Greenspace Fund	Hotel/ Motel Tax Fund
REVENUES									
Taxes	-	-	-	-	-	-	-	-	\$ 5,692
Charges for services	\$ 484,032	-	-	-	\$ 153,501	\$ 1,261,803	-	-	-
Fees, fines and forfeitures	-	-	-	\$ 53,682	-	-	-	-	-
Intergovernmental	2,410	-	-	-	-	-	\$ 192,876	-	-
Interest	-	-	-	-	-	304	-	-	-
Other	88,595	\$ 22,808	\$ 14,738	-	-	-	-	-	-
Total revenues	<u>575,037</u>	<u>22,808</u>	<u>14,738</u>	<u>53,682</u>	<u>153,501</u>	<u>1,262,107</u>	<u>192,876</u>	<u>-</u>	<u>5,692</u>
EXPENDITURES									
Current:									
Airport	618,117	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-
Public safety	-	20,080	14,326	40,463	32,125	1,088,202	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-	-	5,692
Capital outlay:									
Airport	-	-	-	-	-	-	58,231	-	-
Public safety	-	-	8,569	-	94,377	1,420	130,865	-	-
Recreation	-	-	-	-	-	-	3,780	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total expenditures	<u>618,117</u>	<u>20,080</u>	<u>22,895</u>	<u>40,463</u>	<u>126,502</u>	<u>1,089,622</u>	<u>192,876</u>	<u>-</u>	<u>5,692</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(43,080)</u>	<u>2,728</u>	<u>(8,157)</u>	<u>13,219</u>	<u>26,999</u>	<u>172,485</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(1,450)	(500)	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,450)</u>	<u>(500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(43,080)</u>	<u>2,728</u>	<u>(9,607)</u>	<u>12,719</u>	<u>26,999</u>	<u>172,485</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, BEGINNING OF YEAR	<u>345,894</u>	<u>4,643</u>	<u>37,846</u>	<u>57,403</u>	<u>6,218</u>	<u>205,503</u>	<u>-</u>	<u>\$ 19,888</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 302,814</u>	<u>\$ 7,371</u>	<u>\$ 28,239</u>	<u>\$ 70,122</u>	<u>\$ 33,217</u>	<u>\$ 377,988</u>	<u>\$ -</u>	<u>\$ 19,888</u>	<u>\$ -</u>

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	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	Streetlight Tax Districts Fund	Total Nonmajor Special Revenue Funds
REVENUES										
Taxes	-	-	-	-	-	\$ 542,542	-	-	\$ 68,225	\$ 616,459
Charges for services	-	\$ 78,692	-	-	\$ 1,409,003	568	-	\$ 2,639	-	3,390,238
Fees, fines and forfeitures	\$ 142,533	-	\$ 2,050	-	-	-	\$ 46,109	-	-	244,374
Intergovernmental	-	-	-	\$ 86,500	44,818	-	-	-	-	326,604
Interest	64	-	-	-	2,060	-	-	64	-	2,492
Other	-	-	-	9,426	70,776	1,333	-	-	-	207,676
Total revenues	<u>142,597</u>	<u>78,692</u>	<u>2,050</u>	<u>95,926</u>	<u>1,526,657</u>	<u>544,443</u>	<u>46,109</u>	<u>2,703</u>	<u>68,225</u>	<u>4,787,843</u>
EXPENDITURES										
Current:										
Airport	-	-	-	-	-	-	-	-	-	618,117
Judicial	-	-	450	-	-	-	-	-	-	450
Public safety	130,076	24,733	-	-	-	634,470	16,144	2,969	-	2,003,588
Public works	-	-	-	-	-	-	-	-	64,015	64,015
Recreation	-	-	-	-	3,915,836	-	-	-	-	3,915,836
Sanitation	-	-	-	91,766	-	-	-	-	-	91,766
Housing and development	-	-	-	-	-	-	-	-	-	5,692
Capital outlay:										
Airport	-	-	-	-	-	-	-	-	-	58,231
Public safety	-	21,405	-	-	-	195,386	28,418	27,187	-	507,627
Recreation	-	-	-	-	95,186	-	-	-	-	98,966
Debt service:										
Principal	-	-	-	-	-	50,193	-	-	-	50,193
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>130,076</u>	<u>46,138</u>	<u>450</u>	<u>91,766</u>	<u>4,011,022</u>	<u>880,049</u>	<u>44,562</u>	<u>30,156</u>	<u>64,015</u>	<u>7,414,481</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>12,521</u>	<u>32,554</u>	<u>1,600</u>	<u>4,160</u>	<u>(2,484,365)</u>	<u>(335,606)</u>	<u>1,547</u>	<u>(27,453)</u>	<u>4,210</u>	<u>(2,626,638)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	2,474,756	-	-	-	-	2,474,756
Transfers out	(1,100)	-	-	(1,800)	-	-	-	-	-	(4,850)
Proceeds from capital leases	-	-	-	-	-	191,000	-	-	-	191,000
Total other financing sources (uses)	<u>(1,100)</u>	<u>-</u>	<u>-</u>	<u>(1,800)</u>	<u>2,474,756</u>	<u>191,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,660,906</u>
NET CHANGE IN FUND BALANCES	<u>11,421</u>	<u>32,554</u>	<u>1,600</u>	<u>2,360</u>	<u>(9,609)</u>	<u>(144,606)</u>	<u>1,547</u>	<u>(27,453)</u>	<u>4,210</u>	<u>34,268</u>
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>56,769</u>	<u>12,753</u>	<u>57,888</u>	<u>177,077</u>	<u>(503,535)</u>	<u>8,083</u>	<u>44,956</u>	<u>41,798</u>	<u>573,184</u>
FUND BALANCES, END OF YEAR	<u>\$ 11,421</u>	<u>\$ 89,323</u>	<u>\$ 14,353</u>	<u>\$ 60,248</u>	<u>\$ 167,468</u>	<u>\$ (648,141)</u>	<u>\$ 9,630</u>	<u>\$ 17,503</u>	<u>\$ 46,008</u>	<u>\$ 607,452</u>

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, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$ 415,000	\$ 505,800	\$ 484,032	\$ (21,768)
Intergovernmental	4,000	4,000	2,410	(1,590)
Interest	1,000	1,500	-	(1,500)
Other	89,000	89,000	88,595	(405)
Total revenues	<u>509,000</u>	<u>600,300</u>	<u>575,037</u>	<u>(25,263)</u>
EXPENDITURES				
Current:				
Airport	<u>491,000</u>	<u>606,000</u>	<u>618,117</u>	<u>(12,117)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	18,000	(5,700)	(43,080)	(37,380)
FUND BALANCES, BEGINNING OF YEAR	<u>345,894</u>	<u>345,894</u>	<u>345,894</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 363,894</u>	<u>\$ 340,194</u>	<u>\$ 302,814</u>	<u>\$ (37,380)</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, 2011

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Vending commissions/other	\$ 19,000	\$ 22,808	\$ 3,808
EXPENDITURES			
Current:			
Public safety	<u>19,000</u>	<u>20,080</u>	<u>(1,080)</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	2,728	2,728
FUND BALANCES, BEGINNING OF YEAR	<u>4,643</u>	<u>4,643</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>4,643</u></u>	<u><u>\$ 7,371</u></u>	<u><u>\$ 2,728</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, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Telephone commissions	\$ 20,000	\$ 14,738	\$ (5,262)
Total revenues	<u>20,000</u>	<u>14,738</u>	<u>(5,262)</u>
EXPENDITURES			
Current:			
Public safety	23,000	14,326	8,674
Capital outlay:			
Public safety	<u>6,600</u>	<u>8,569</u>	<u>(1,969)</u>
Total expenditures	<u>29,600</u>	<u>22,895</u>	<u>6,705</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,600)	(8,157)	1,443
OTHER FINANCING USES			
Transfers out	<u>(1,500)</u>	<u>(1,450)</u>	<u>50</u>
NET CHANGE IN FUND BALANCES	(11,100)	(9,607)	1,493
FUND BALANCES, BEGINNING OF YEAR	<u>37,846</u>	<u>37,846</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 26,746</u>	<u>\$ 28,239</u>	<u>\$ 1,493</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, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fees, fines and forfeitures	\$ 30,000	\$ 35,000	\$ 53,682	\$ 18,682
Interest	200	200	-	(200)
Total revenues	<u>30,200</u>	<u>35,200</u>	<u>53,682</u>	<u>18,482</u>
EXPENDITURES				
Current:				
Public safety	<u>36,000</u>	<u>41,000</u>	<u>40,463</u>	<u>537</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,800)	(5,800)	13,219	19,019
OTHER FINANCING USES				
Transfers out	<u>(1,200)</u>	<u>(1,200)</u>	<u>(500)</u>	<u>700</u>
NET CHANGE IN FUND BALANCES	(7,000)	(7,000)	12,719	19,719
FUND BALANCES, BEGINNING OF YEAR	<u>57,403</u>	<u>57,403</u>	<u>57,403</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 50,403</u>	<u>\$ 50,403</u>	<u>\$ 70,122</u>	<u>\$ 19,719</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, 2011

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Telephone commissions	\$ 31,100	\$ 153,501	\$ 122,401
EXPENDITURES			
Current:			
Public safety	31,100	32,125	(1,025)
Capital Outlay:			
Public safety	-	94,377	(94,377)
Total expenditures	<u>31,100</u>	<u>126,502</u>	<u>(95,402)</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	26,999	26,999
FUND BALANCES, BEGINNING OF YEAR	<u>6,218</u>	<u>6,218</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,218</u>	<u>\$ 33,217</u>	<u>\$ 26,999</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, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$ 1,023,300	\$ 1,073,300	\$ 1,261,803	\$ 188,503
Interest	200	200	304	104
Total revenues	<u>1,023,500</u>	<u>1,073,500</u>	<u>1,262,107</u>	<u>188,607</u>
EXPENDITURES				
Current:				
Public safety	1,041,200	1,091,200	1,088,202	2,998
Capital outlay:				
Public safety	-	-	1,420	(1,420)
Total expenditures	<u>1,041,200</u>	<u>1,091,200</u>	<u>1,089,622</u>	<u>1,578</u>
NET CHANGE IN FUND BALANCES	(17,700)	(17,700)	172,485	190,185
FUND BALANCES, BEGINNING OF YEAR	<u>205,503</u>	<u>205,503</u>	<u>205,503</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 187,803</u>	<u>\$ 187,803</u>	<u>\$ 377,988</u>	<u>\$ 190,185</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, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ 401,000	\$ 401,000	\$ 192,876	\$ (208,124)
EXPENDITURES				
Capital outlay:				
Airport	-	59,000	58,231	769
Public safety	386,000	327,000	130,865	196,135
Recreation	15,000	15,000	3,780	11,220
Total expenditures	401,000	401,000	192,876	208,124
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	-	-	-	-

BULLOCH COUNTY, GEORGIA
GREENSPACE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	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>
EXCESS OF REVENUES OVER 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, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 10,500	\$ 5,692	\$ (4,808)
EXPENDITURES			
Current:			
Housing and development - Tourism	<u>10,500</u>	<u>5,692</u>	<u>4,808</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCES, BEGINNING OF YEAR,	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>-</u></u>	<u><u>-</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, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fees, fines and forfeitures	\$ 120,000	\$ 135,000	\$ 142,533	\$ 7,533
Interest	100	100	64	(36)
Total revenues	<u>120,100</u>	<u>135,100</u>	<u>142,597</u>	<u>7,497</u>
EXPENDITURES				
Current:				
Public safety - Jail	<u>117,100</u>	<u>132,100</u>	<u>130,076</u>	<u>2,024</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,000	3,000	12,521	9,521
OTHER FINANCING USES				
Transfers out	<u>(3,000)</u>	<u>(3,000)</u>	<u>(1,100)</u>	<u>1,900</u>
NET CHANGE IN FUND BALANCES	-	-	11,421	11,421
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,421</u>	<u>\$ 11,421</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, 2011

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for services	<u>\$ 100,000</u>	<u>\$ 78,692</u>	<u>\$ (21,308)</u>
EXPENDITURES			
Current:			
Public safety	20,000	24,733	(4,733)
Capital outlay:			
Public safety	<u>80,000</u>	<u>21,405</u>	<u>58,595</u>
Total expenditures	<u>100,000</u>	<u>46,138</u>	<u>53,862</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	32,554	32,554
FUND BALANCES, BEGINNING OF YEAR	<u>56,769</u>	<u>56,769</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 56,769</u></u>	<u><u>\$ 89,323</u></u>	<u><u>\$ 32,554</u></u>

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, 2011

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Fees, fines and forfeitures	\$ 3,000	\$ 2,050	\$ (950)
EXPENDITURES			
Current:			
Judicial	<u>3,000</u>	<u>450</u>	<u>2,550</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	1,600	1,600
FUND BALANCES, BEGINNING OF YEAR	<u>12,753</u>	<u>12,753</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 12,753</u></u>	<u><u>\$ 14,353</u></u>	<u><u>\$ 1,600</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, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 115,000	\$ 86,500	\$ (28,500)
Other	4,000	9,426	5,426
Total revenues	<u>119,000</u>	<u>95,926</u>	<u>(23,074)</u>
EXPENDITURES			
Current:			
Sanitation	<u>126,200</u>	<u>91,766</u>	<u>34,434</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,200)	4,160	11,360
OTHER FINANCING USES			
Transfers out	<u>(1,900)</u>	<u>(1,800)</u>	<u>100</u>
NET CHANGE IN FUND BALANCES	(9,100)	2,360	11,460
FUND BALANCES, BEGINNING OF YEAR	<u>57,888</u>	<u>57,888</u>	-
FUND BALANCES, END OF YEAR	<u>\$ 48,788</u>	<u>\$ 60,248</u>	<u>\$ 11,460</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, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 1,451,755	\$ 1,409,003	\$ (42,752)
Intergovernmental	40,000	44,818	4,818
Interest	1,500	2,060	560
Other	62,500	70,776	8,276
Total revenues	<u>1,555,755</u>	<u>1,526,657</u>	<u>(29,098)</u>
EXPENDITURES			
Current:			
Recreation	4,015,600	3,915,836	99,764
Capital Outlay:			
Recreation	-	95,186	(95,186)
Total expenditures	<u>4,015,600</u>	<u>4,011,022</u>	<u>4,578</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,459,845)	(2,484,365)	(24,520)
OTHER FINANCING SOURCES			
Transfers in	<u>2,385,000</u>	<u>2,474,756</u>	<u>89,756</u>
NET CHANGE IN FUND BALANCES	(74,845)	(9,609)	65,236
FUND BALANCES, BEGINNING OF YEAR	<u>177,077</u>	<u>177,077</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 102,232</u>	<u>\$ 167,468</u>	<u>\$ 65,236</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, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 495,500	\$ 548,500	\$ 542,542	\$ (5,958)
Charges for services	3,500	3,500	568	(2,932)
Other	3,500	3,500	1,333	(2,167)
Total revenue	<u>502,500</u>	<u>555,500</u>	<u>544,443</u>	<u>(11,057)</u>
EXPENDITURES				
Current:				
Public safety	494,200	633,200	634,470	(1,270)
Capital outlay:				
Public safety	-	191,000	195,386	(4,386)
Debt Service:				
Principal	7,300	7,300	50,193	(42,893)
Interest	-	-	-	-
Total expenditures	<u>501,500</u>	<u>831,500</u>	<u>880,049</u>	<u>(48,549)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,000</u>	<u>(276,000)</u>	<u>(335,606)</u>	<u>(59,606)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,000)	(1,000)	-	1,000
Proceeds from capital lease	-	191,000	191,000	-
Total other financing sources (uses)	<u>(1,000)</u>	<u>190,000</u>	<u>191,000</u>	<u>1,000</u>
NET CHANGE IN FUND BALANCES	-	(86,000)	(144,606)	(58,606)
FUND BALANCES, BEGINNING OF YEAR	<u>(503,535)</u>	<u>(503,535)</u>	<u>(503,535)</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ (503,535)</u>	<u>\$ (589,535)</u>	<u>\$ (648,141)</u>	<u>\$ (58,606)</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, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	\$ 20,000	\$ 46,109	\$ 26,109
EXPENDITURES			
Current:			
Public safety	-	16,144	(16,144)
Capital outlay:			
Public safety	20,000	28,418	(8,418)
Total expenditures	<u>20,000</u>	<u>44,562</u>	<u>(24,562)</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	1,547	1,547
FUND BALANCES, BEGINNING OF YEAR	<u>8,083</u>	<u>8,083</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 8,083</u>	<u>\$ 9,630</u>	<u>\$ 1,547</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, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 45,000	\$ 2,639	\$ (42,361)
Interest	-	64	64
Total revenues	<u>45,000</u>	<u>2,703</u>	<u>(42,297)</u>
EXPENDITURES			
Current:			
Public safety	45,000	2,969	42,031
Capital outlay:			
Public safety	-	27,187	(27,187)
Total expenditures	<u>45,000</u>	<u>30,156</u>	<u>14,844</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(27,453)	(27,453)
FUND BALANCES, BEGINNING OF YEAR	<u>44,956</u>	<u>44,956</u>	-
FUND BALANCES, END OF YEAR	<u>\$ 44,956</u>	<u>\$ 17,503</u>	<u>\$ (27,453)</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes	\$ 43,470	\$ 67,170	\$ 68,225	\$ 1,055
EXPENDITURES				
Current:				
Public works - Street lighting	<u>43,470</u>	<u>67,170</u>	<u>64,015</u>	<u>3,155</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	4,210	4,210
FUND BALANCES, BEGINNING OF YEAR	<u>41,798</u>	<u>41,798</u>	<u>41,798</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 41,798</u>	<u>\$ 41,798</u>	<u>\$ 46,008</u>	<u>\$ 4,210</u>

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2011

	Tax Commissioner	Fire District	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Emergency Medical Service	Bulloch County Correctional Institute	Probation	Total
ASSETS										
Cash	\$ 34,558	\$ 20,992	\$ 8,531	\$ 497,320	\$ 5,475	\$ 264,457	\$ -	\$ 13,416	\$ 128,885	\$ 973,634
LIABILITIES										
Due to other entities and individuals	\$ 34,558	\$ 20,992	\$ 8,531	\$ 497,320	\$ 5,475	\$ 264,457	\$ -	\$ 13,416	\$ 128,885	\$ 973,634

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2011

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	12,238,138	-	12,238,138	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	1,000	-	1,000	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>\$ 37,448,786</u>	<u>\$ -</u>	<u>\$ 37,448,786</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, 2011

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	\$ 7,185,613	\$ 7,135,667	\$ 49,946	\$ 7,185,613	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	1,529,101	1,469,399	59,702	1,529,101	100%
Solid waste - recycling - County	640,000	607,353	469,119	109,358	578,477	95%
Public safety - Sheriff	1,000,000	1,089,060	1,016,365	72,695	1,089,060	100%
Public safety - Rural Fire	900,000	1,171,550	1,019,457	3,376	1,022,833	87%
Public safety - EMS	600,000	822,773	765,204	57,569	822,773	100%
Public safety - Animal control	-	9,338	9,338	-	9,338	100%
Airport - County	750,000	711,445	628,538	120	628,658	88%
Agribusiness Center - County	6,100,000	4,437,186	462,360	-	462,360	10%
Parks and recreation - County	7,000,000	7,100,215	6,630,508	219,707	6,850,215	96%
Industrial park - County	5,500,000	5,218,043	4,894,659	-	4,894,659	94%
Water/sewer system - County	100,000	29,780	29,780	-	29,780	100%
Community facilities - County	3,143,000	3,955,930	2,707,493	132,271	2,839,764	72%
BCCI vehicle - County	-	13,958	13,958	-	13,958	100%
Arts center - Statesboro	1,360,000	1,446,932	1,446,932	-	1,446,932	100%
Municipal building/Police Station - Statesboro	2,140,000	3,362,525	3,362,525	-	3,362,525	100%
Public safety vehicles - Statesboro	500,000	437,184	263,674	-	263,674	60%
Water/sewer system - Statesboro	5,000,000	4,372,334	2,256,907	317,801	2,574,708	59%
City streets, etc. - Statesboro	5,000,000	4,372,334	4,348,161	7,908	4,356,069	100%
Municipal building - Brooklet	350,000	352,035	352,035	-	352,035	100%
Cultural facility - Brooklet	75,000	-	-	-	-	-
Water system - Brooklet	230,000	140,109	132,877	6,690	139,567	100%
City streets, etc. - Brooklet	205,000	260,070	260,070	-	260,070	100%
Solid waste - Portal	50,000	17,951	17,951	-	17,951	100%
Cultural facility - Portal	50,000	17,635	17,635	-	17,635	100%
Water system - Portal	200,000	149,262	149,262	-	149,262	100%
Sewer system - Portal	-	46,531	46,531	-	46,531	100%
City streets, etc - Portal	160,000	116,667	116,667	-	116,667	100%
Centennial Park - Portal	-	54,201	54,201	-	54,201	100%
Water system - Register	27,000	9,468	3,450	-	3,450	36%
Public safety facility - Register	15,000	23,330	23,330	-	23,330	100%
Recreational areas - Register	15,000	19,539	19,539	-	19,539	100%
Cultural facility - Register	45,000	37,926	37,926	-	37,926	100%
City streets, etc. - Register	25,000	20,808	20,808	-	20,808	100%
	<u>\$ 49,800,000</u>	<u>\$ 51,639,009</u>	<u>\$ 42,683,149</u>	<u>\$ 1,037,143</u>	<u>\$ 43,720,292</u>	<u>85%</u>

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

Total SPLOST 02 fund expenditures per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 1,287,143
Less:	
Intergovernmental revenue	(250,000)
Total current year expenditures per above	<u>\$ 1,037,143</u>

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2011

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	\$ 10,872,066	\$ 10,872,066	\$ -	\$ 10,872,066	100%
Solid waste handling facilities and equipment - Joint	7,000,000	7,000,000	3,111,112	1,166,667	4,277,779	61%
Economic development - Industrial park	2,875,500	2,875,500	-	2,179,594	2,179,594	76%
Cemetery expansion - Statesboro	900,000	900,000	900,000	-	900,000	100%
Road improvements	12,500,000	12,500,000	24,404	2,139,606	2,164,010	17%
Community facilities - County	5,138,500	5,138,500	614,206	808,392	1,422,598	28%
Public safety facilities and equipment	3,655,000	3,655,000	(33,425)	408,259	374,834	10%
Recreational facilities and equipment	2,874,700	2,874,700	8,355	1,262,164	1,270,519	44%
Solid waste handling facilities and equipment - County	1,200,000	1,200,000	-	824,108	824,108	69%
Airport facilities and equipment	700,000	700,000	76,364	106,682	183,046	26%
Storm water projects	222,000	222,000	50,000	-	50,000	23%
Voting equipment	75,000	75,000	-	-	-	0%
Greenspace preservation	222,000	222,000	-	-	-	0%
City of Statesboro	20,767,500	20,767,500	3,473,942	3,828,479	7,302,421	35%
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>71,372,066</u>	<u>21,102,224</u>	<u>12,723,951</u>	<u>33,826,175</u>	<u>47%</u>

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

Total SPLOST 07 fund expenditures per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 14,100,320
Less:	
Intergovernmental revenue	(317,664)
Other revenue	(7,500)
Sale of capital assets	(476,000)
Proceeds from capital lease	(575,205)
Total current year expenditures per above	<u>\$ 12,723,951</u>

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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, 2011, which collectively comprise Bulloch County's basic financial statements and have issued our report thereon dated May 15, 2012. 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 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

Management of Bulloch County, Georgia, is responsible for establishing and maintaining effective internal controls 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material

weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described as 2011-8, 2011-11 and 2011-13 in the accompanying schedule of findings and responses to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described as 2011-1 through 2011-7, 2011-9, 2011-10, 2011-12 and 2011-14 in the accompanying schedule of finding and responses to be significant deficiencies.

Compliance and Other Matters

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

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

This report is intended solely for the information and use of management, board of commissioners, 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 + Dal

May 15, 2012

BULLOCH COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2011

2011-1 Clerk of Courts – Lack of segregation of duties

Condition: There is a lack of segregation of duties within the Clerk of Courts' office. Duties pertaining to receipt processing, deposit preparation, monthly bank account reconciliations and bookkeeping are not segregated for three bank accounts. Also, while procedures have been modified for in-office payments, mailed receipts may be opened and processed by the same individual. Additional controls have not been implemented to compensate for the lack of segregation of duties.

Criteria: Separation of duties will improve internal controls over cash and other assets and reduce the possibility of errors and irregularities.

Cause: The Clerk of Courts' office does not have effective internal controls in place.

Effect: The County could potentially lose revenue due to misappropriation.

Auditor's Recommendation: We recommend that an individual uninvolved with the receipt and deposit duties perform the bookkeeping and bank reconciliation duties. Also, we recommend that an individual uninvolved in the receipt process open mailed payments and prepare a log. Periodically, the log should be compared to payments recorded within ICON.

Views of Responsible Officials and Planned Corrective Actions: We concur with this finding and we will implement procedures to establish effective controls over fines receipts.

2011-2 Clerk of Courts – Unallocated revenue paid to County

Condition: While reviewing criminal revenue reports, we noted that \$107,648 of revenue was not assigned to any fines or fees within ICON. Those receipts were paid to the County by the Clerk of Courts' office.

Criteria: All receipts should be applied to a charge within ICON with the exception of community service buyouts. Anything received in excess of fines and/or fees owed should be researched by the Clerk of Courts' office or the Probation office.

Cause: Identified causes of the errors were clerical errors when setting up the fines and fees, software issues for payments pertaining to multiple tickets and sentencing note differences when compared to the Probation office.

Effect: While a portion of the unassigned revenue does belong to the County, some of the revenue may be owed to other agencies and should not be recognized as County revenue.

Auditor's Recommendation: All receipts which appear in the ICON overpayment category should be investigated to correct any clerical errors, software errors and any record differences with the Probation office.

BULLOCH COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES

Views of Responsible Officials and Planned Corrective Actions:

We concur with this finding. Staff members have received additional instruction in setting up the fines and fees, and the software company will be contacted to review the payment allocations and fee categories. We plan to modify our procedures to ensure all fines and fees charged agree with the judge's sentencing.

2011-3 Probate Court – Untimely deposits and disbursements, Inaccurate bank reconciliations and disbursements

Condition: During our audit we noted that deposits and disbursements are often not made in a timely manner by the Probate Court office. Bank reconciliations are not being prepared properly. Disbursements to the general fund did not reconcile to amounts collected on behalf of the general fund per Probate Court collection reports.

Criteria: Money should be deposited into the appropriate accounts in a timely manner, regardless of the amount on hand to be deposited and disbursements should be paid out each month for the prior month deposits in a timely manner. Accurate bank reconciliations should be prepared on a monthly basis.

Cause: The Probate Court often waits to make deposits until they have a significant amount of money and disbursements are delayed until the deposits are made. Monthly bank reconciliations have not been prepared accurately to reconcile the bank balance to the month-end checkbook balance.

Effect: Monies could be lost, stolen, or misappropriated. Furthermore, there could be incorrect disbursements of collected funds when disbursements are not made timely and reconciled to collection reports for the previous month.

Auditor's Recommendation: Deposits should be made at least weekly, if not daily, regardless of the amount on hand to be deposited and disbursements should be made each month following the month of receipt. Bank reconciliations should be prepared in a timely manner and provided to the Probate Court Judge for monitoring of the monthly activities.

Views of Responsible Officials and Planned Corrective Actions: We concur with this finding and we will recommend for the Probate Court office to implement procedures to make sure all funds received are deposited in a timely manner, that disbursements are made by the month after receipt, and that accurate bank reconciliations be prepared in a timely manner and provided to the Probate Court Judge for monitoring.

2011-4 Financial reporting process is inadequate for recording the activity in some of the County's agency funds and special revenue funds

Condition: The Bulloch County Correctional Institute and Probate Court have several accounts for which no trial balances summarizing the annual activity and year-end balances are maintained.

BULLOCH COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES

Criteria: Accurate trial balances are needed for these accounts in order for them to be properly included in the County's financial statements.

Cause: The Bulloch County Correctional Institute and Probate Court do not have procedures in place to compile a year-end trial balance summarizing annual activity.

Effect: Accurate amounts are not readily available to include these funds in the County's financial statements.

Auditor's Recommendation: The Bulloch County Correctional Institute and Probate Court need to develop procedures to prepare year-end trial balances based on information obtained from their current accounting systems or consider implementing a new accounting software such as QuickBooks to summarize transactions in order to provide year-end trial balances to the CFO and external auditors to assist in preparation of the County's year-end financial statements.

Views of Responsible Officials and Planned Corrective Actions: 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 the agency and special revenue funds not maintained on our computerized accounting system.

2011-5 Timely billing of amounts due from the City of Statesboro

Condition: During our audit, we noted \$21,402 due from the City of Statesboro for reimbursement on a GEFA loan payment that had not been billed that was booked as a prior year receivable.

Criteria: Invoices for amounts due from the City of Statesboro and other governmental entities should be processed on at least a quarterly basis.

Cause: The County CFO has not established a policy for timely billing of amounts due from the City of Statesboro and other governmental entities.

Effect: Intergovernmental revenue could remain uncollected or be understated in the County's financial statements.

Auditor's Recommendation: Intergovernmental receivables from the City of Statesboro and other governmental entities should be billed at least quarterly. Also, any amounts owed to the County at year-end should be billed in a timely manner and recorded in the year-end financial statements.

Views of Responsible Officials and Planned Corrective Actions: We concur with this finding and we will implement procedures to bill for amounts due from the City of Statesboro on a timely basis.

BULLOCH COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES

2011-6 Accounting for compensated absences

Condition: The information needed to calculate and record the accrual for compensated absences is not being provided to the County's CFO or the County's external auditors on a timely basis.

Criteria: It is important that all County departments provide a report of unused vacation and sick time by July or August each year so that an accrual for compensated absences can be recorded in the County's annual audited financial statements.

Cause: Some of the County's departments do not have procedures in place to provide reports of unused vacation and sick time as of year-end to the CFO on a timely basis.

Effect: Without the proper information on unused vacation and sick time, the County's CFO is unable to prepare an accurate schedule of compensated absences payable to be included in the annual financial statements.

Auditor's Recommendation: We recommend the County adopt a policy requiring all County departments to provide a report of unused vacation and sick time as of June 30th to the CFO by August 15th of each year.

Views of Responsible Officials and Planned Corrective Actions: We concur with this finding and we will adopt a policy requiring all County departments to provide a report of unused vacation and sick time as of June 30th to the CFO by August 15th of each year and the CFO will provide the information to the County's external auditors on a more timely basis.

2011-7 Budget amendments

Condition: As noted in Note 2 to the financial statements, expenditures exceeded appropriations for five special revenue funds.

Criteria: Budget amendments should be made and approved by the Board of Commissioners for any overexpenditures of the County budget.

Cause: The County's procedures for identifying overexpenditures after the year-end closing are not adequate to ensure that appropriate and timely budget amendments are made.

Effect: Unauthorized overexpenditures of the County budget could occur.

Auditor's Recommendation: The County should develop procedures to better monitor expenditures at the legal level of control both during the year and after the year-end closing so that timely budget amendments can be requested.

Views of Responsible Officials and Planned Corrective Actions: We concur with this finding and we will implement procedures to better monitor expenditures at the legal level of control and we will request budget amendments during the year as needed.

BULLOCH COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES

2011-8 Develop a year-end closing schedule

Condition: Trial balances for some funds, client adjusting journal entries, and numerous source documents were not provided to the County's auditors until November 2011 and on into 2012 for this year's audit causing difficulty in meeting reporting deadlines.

Criteria: To meet reporting deadlines imposed by the Board of Commissioners and the State of Georgia, final adjusted trial balances should be provided to the auditors by no later than October 1 each year. Also, requested information for the annual audit should be provided to the auditors in a timely manner to increase audit efficiency.

Cause: The County does not have established procedures or adequate financial accounting staff to accomplish a timely year-end closing to provide final adjusted trial balances to the County's auditors.

Effect: The County is not meeting reporting deadlines for its annual audited financial statements. Furthermore, not providing information to auditors in a timely and organized manner can result in increased audit fees for the County.

Auditor's Recommendation: We believe that the year-end closing could proceed in a more timely and efficient manner by developing a closing schedule that tracks the responsible individual, due date, and completion date for each procedure. 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, we believe the County needs additional qualified financial accounting staff to assist the CFO with the year-end closing and preparation of other information for the auditors.

Views of Responsible Officials and Planned Corrective Actions: 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.

2011-9 Improper netting of revenues and expenditures for Parks and Recreation Fund

Condition: While reviewing recreation revenue, we noted that expenditures for the afterschool program were incorrectly netted with revenues.

Criteria: Revenues and related expenditures should be posted in separate general ledger accounts.

Cause: Recreation Department staff coded related expenditures to offset the revenues received for afterschool activities.

Effect: Revenues and expenditures will be understated within the County's financial statements.

BULLOCH COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES

Auditor's Recommendation: Expenditures related to the afterschool program should be properly coded to an expenditure account.

Views of Responsible Officials and Planned Corrective Actions:

We concur with this finding. The Recreation Department staff will be responsible for making sure the expenditures are coded for posting to an appropriate expenditure account.

2011-10 Error in preparation of sales tax reports for Aquatic Center and Parks and Recreation Fund

Condition: While reviewing sales tax calculations, we found an error in the calculation of the sales tax being remitted and the improper allocation of sales taxes based on revenues to the Aquatic Center and Recreation Fund.

Criteria: Sales tax should be calculated on total taxable revenue. Sales tax paid should be allocated based on sales revenue between the Aquatic Center and the Recreation Fund.

Cause: Sales tax calculations were based on total receipts which included collected sales tax.

Effect: Sales tax was overpaid and overstated for the County's financial statements and improperly recognized between the funds.

Auditor's Recommendation: Staff training needs to be performed to ensure that sales tax is properly calculated and allocated between the Aquatic Center and the Recreation Fund.

Views of Responsible Officials and Planned Corrective Actions:

We concur with this finding. The Recreation Department staff will be responsible for making sure sales tax is properly calculated and remitted to the State. The staff will also be sure the proper allocation is made between the Aquatic Center and Recreation Fund.

2011-11 Timely and accurate bank reconciliations

Condition: During our audit we noted that accurate and timely bank reconciliations were not being prepared. Cash receipts and interbank transactions between funds were recorded incorrectly.

Criteria: Bank reconciliations should be prepared and reviewed each month in a timely manner to ensure that account balances are correct and all transactions have been recorded in the County's general ledger. Care should be taken to ensure interbank and interfund transactions are recorded accurately between the funds.

Cause: A lack of adequate accounting staff within the Finance Department resulted in posting errors and untimely posting of cash receipts to the general ledger.

Effect: Significant adjusting journal entries and additional work were required by County staff and the auditors to ensure cash balances were presented fairly in all material respects with generally accepted accounting principles.

BULLOCH COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES

Auditor's Recommendation: Bank reconciliations should be prepared monthly on a timely basis and any discrepancies investigated timely to ensure proper posting of transactions in the County's general ledger.

Views of Responsible Officials and Planned Corrective Actions:

We concur with this finding. The CFO will implement procedures to ensure that accurate and timely bank reconciliations are prepared for all bank accounts each month.

2011-12 Payroll liability accounts

Condition: During our audit we noted that payroll liability accounts are not being reviewed and reconciled on a periodic basis.

Criteria: Payroll liability accounts should be reviewed and reconciled on a periodic basis.

Cause: Transactions posted to payroll liability accounts are not reviewed on a monthly basis to correct for improper postings.

Effect: Payroll tax liabilities were understated at June 30, 2011.

Auditor's Recommendation: We recommend a suitable member of the Finance Department staff be responsible for the review and reconciliation of payroll liability accounts on a periodic basis.

Views of Responsible Officials and Planned Corrective Actions: We concur with this finding and the CFO will implement procedures for the review and reconciliation of payroll liability accounts on at least a quarterly basis.

2011-13 Inadequate tracking of additions to capital assets

Condition: A listing of additions to capital assets was not compiled and provided to the auditors for the year ended June 30, 2011.

Criteria: The County maintains a policy detailing the capitalization threshold for capital assets. Each year the County should provide its auditors a capital asset additions listing to be included in the County's government-wide financial statements.

Cause: The County has not implemented procedures to ensure that items meeting the capitalization criteria are compiled to be recorded in the capital asset records.

Effect: Inadequate procedures to track additions to capital assets will result in the understatement of the County's assets.

BULLOCH COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES

Auditor's Recommendation: The County should implement procedures that require each department and either the purchasing manager 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.

Views of Responsible Officials and Planned Corrective Actions:

We concur with this finding. We will implement procedures to accumulate capital asset additions at least annually to be recorded in the County's government-wide financial statements.

2011-14 Funds held by Probation Office

Condition: During our audit we noted the Probation Office experienced some difficulty in providing an accurate listing of funds held for others.

Criteria: The Probation Office should maintain an accurate and updated subsidiary ledger of funds held for restitution or overpayments by payee.

Cause: Since the Probation Office's software lacks the ability to track overpayments or unpaid restitution, it is manually tracked, for audit purposes, using spreadsheets. Amounts must be manually adjusted which makes the lists more prone to errors.

Effect: Misstatement of individual account balances are more difficult to identify.

Auditor's Recommendation: The Probation Office utilizes QuickBooks in addition to its probation software. We recommend that the Probation Office consider utilizing QuickBooks in a manner that allows them to easily track, by case or individual, unpaid amounts owed to others.

Views of Responsible Officials and Planned Corrective Actions:

We concur with this finding. Probation office personnel will implement procedures that allow us to accurately track funds held for others.