

BULLOCH COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Bulloch County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bulloch County, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Bulloch County Board of Health, a component unit, which represents 1.7%, 2.2%, and 3.0%, respectively, of the assets, net position, and revenues of Bulloch County, Georgia. We did not audit the financial statements of the Development Authority of Bulloch County, a component unit, which represents 16.8%, 21.9%, and 1.1%, respectively, of the assets, net position, and revenues of Bulloch County, Georgia.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bulloch County Board of Health, a component unit, which represents 1.7%, 2.2%, and 3.0%, respectively, of the assets, net position, and revenues of Bulloch County, Georgia. We did not audit the financial statements of the Development Authority of Bulloch County, a component unit, which represents 16.8%, 21.9%, and 1.1%, respectively, of the assets, net position, and revenues of Bulloch County, Georgia. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bulloch County Board of Health and the Development Authority of Bulloch County, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bulloch County, Georgia, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bulloch County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and schedule of projects paid with SPLOST proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2015, on our consideration of Bulloch County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bulloch County, Georgia's internal control over financial reporting and compliance.

Thigpen, Lavin, Watterfill & Dal

Statesboro, Georgia
February 6, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of Bulloch County, Georgia's (the "County") annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2014. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County had total net position (assets exceeded liabilities) of \$76,496,766 at 2014 fiscal year-end. That is \$4,113,020 (or 5.1%) less than the total net position of \$80,609,786 at 2013 fiscal year-end.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$57,567,158 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 2013 was \$58,574,761. That is a decrease of \$1,007,603 (or 1.7%) for fiscal year 2014.
 - (2) Net position of \$12,716,854 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations. That is \$2,321,062 (or 15.4 %) less than the fiscal year 2013 amount of \$15,037,916.
 - (3) Unrestricted net position of \$6,212,754 represents the portion available to maintain the County's continuing obligations to citizens and creditors. This is a \$784,355 (or 11.2%) decrease from the fiscal year 2013 total of \$6,997,109. Unrestricted net position decreased in fiscal years 2013 by \$1,018,095 and 2012 by \$1,063,092.
- The County's governmental funds reported total ending fund balance of \$27,765,943 in fiscal year 2014, compared to \$33,660,073 in fiscal year 2013. This is a decrease of \$5,894,130 (or 17.5%). This decrease was largely due to a \$4,529,839 decrease in ending fund balance for Series 2012 SPLOST GO bonds, resulting in an ending fund balance of \$7,804,129. In addition, the combined SPLOST 02 and SPLOST 07 funds saw a cumulative decrease of \$3,053,493, derived from a \$307,864 decrease in SPLOST 02, and a \$2,745,629 decrease in SPLOST 07. The fiscal year 2014 ending fund balance for the General Fund showed a decrease of \$650,226 (or 11.7%). Other Non-major Governmental Funds decreased by \$56,625 for an ending fund balance of \$1,371,350 at the end of fiscal year 2014.
- At the end of the current fiscal year, cumulative fund balance for the General Fund was \$4,889,617 (or 15.4%) of total General Fund expenditures and operating transfers out. Of this balance, \$783,211 was non-spendable, which includes amounts that are in a non-spendable form or are required to remain intact (inventories, endowment from a corpus fund, prepaid items, long-term loans and notes receivable etc.) The remaining \$4,106,406 was unassigned (such amounts are the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications). That compares to a cumulative fund balance of \$5,539,843 (or 17.3%) of total General Fund expenditures and operating transfers out in fiscal year 2013.
- Overall, while the local economy continues to improve, the County's operating financial position has been weakened. Thanks largely to low-debt and adequate liquidity, the County meets or exceeds most financial strength ratios. However, the 2008-2009 recession, similar to most local governments, created a structural budget deficit for Bulloch County that has only been balanced with the use of fund balance reserves. The decrease in fund balance this year places the county at a 15.4% ratio of fund balance to total expenditures. The county desires a 25% ratio of fund balance to total expenditures. Bulloch County aspires to begin increasing the fund balance in fiscal year 2015 and to move toward the goal of 25% ratio of fund balance to total expenditures. See the "financial analysis" section of this document for more detail.

Overview of the Financial Statements

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

Basic Financial Statements

The first statements of the basic financial statements are the **Government-wide Financial Statements** of the County. They include a Statement of Net Position and a Statement of Activities concerning the County and 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 32-53.

Government-wide Financial Statements

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the County's basic services such as general government, public safety, public works, sanitation, community and economic development, and community services. Property taxes and sales taxes finance most of these activities. Also included in governmental activities are multiple special revenue funds where transfers are used to help fund deficits where user charges are insufficient to fund the full direct costs. These activities include, among others, the airport, E-911, and recreation 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 whom they provide services. These activities include the Aquatic Center and the Agribusiness Center. The County also has two internal service funds, which are proprietary funds. The Employee Health Insurance Fund accounts for employee paid premiums collected as revenues, and claims paid to a third party administrator for employee health insurance related expenses. The Correctional Food Service Fund charges fees for food services to the County's correction facilities.

Fund Financial Statements

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

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Supplementary Information

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

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

Financial Analysis of the County as a Whole

Financial Strength

As a part of examining the County's past financial trends, Bulloch County financial staff annually measure key financial ratios used by both the credit industry and the Government Finance Officers Association to determine liquidity and debt capacity. These ratios reflect the period ending June 30, 2014 for governmental activities. Below is a description of the indicators used.

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

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

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

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

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

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

Debt Limit Ratio: Direct debt is bonded debt for which the local government has pledged its full faith and credit. This long-term debt indicator uses assessed valuation in the denominator and assumes that property taxes are the primary source of debt repayment. This indicator does not include capital lease obligations since they are not "legal" debt.

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

Net 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 | 2014 Governmental Activities | 2013 Governmental Activities | Standard | 2014 Adherence to Standard |
|--------------------------------------|------------------------------------|------------------------------------|-----------|----------------------------------|
| Current Ratio | 3.99 | 7.54 | 2.0 or > | Positive |
| Total Debt to Equity Ratio | 0.207 | 0.212 | 1.0 or < | Positive |
| Working Capital | \$26,199,477 | \$33,826,749 | NA (1) | Positive |
| Current Liabilities Ratio | 0.126 | 0.070 | 0.05 or < | Negative |
| Operating Position | 0.134 | 0.156 | 0.25 or > | Negative |
| Ratio of General Debt Outstanding | 0.0% | 0.0% | 0.0% | Positive |
| Debt Limit Ratio | 0.0% | 0.0% | 0.0% | NA (1) |
| Legal Debt Margin | 100.0% | 100.0% | 100.0% | Positive |
| Net Overlapping Debt | \$13,141,210 (2) | \$13,141,210 (2) | NA (1) | NA (1) |
| Net Direct Long-Term Debt Per Capita | \$184.53 | \$184.53 | NA (1) | NA (1) |

(1) NA - Not applicable.

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

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

Summary of Net Position

As noted earlier, Bulloch County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County had total net position (assets exceeded liabilities) of \$76,496,766 at 2014 fiscal year-end compared to the fiscal year 2013 figure of \$80,609,786. The following table provides a summary of the County's net position:

| | Summary of Net Position | | | | | | | |
|----------------------------------|-------------------------|-------------------|--------------------------|-------------------|--------------------|--------------------|---------------------|---------------|
| | Governmental Activities | | Business-Type Activities | | Total | | Percentage of Total | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Assets | | | | | | | | |
| Current Assets | 34,950,497 | 38,997,590 | 610,101 | 661,069 | 35,560,598 | 39,658,659 | 34.7% | 38.0% |
| Capital Assets | 57,942,862 | 55,267,608 | 8,877,705 | 9,399,129 | 66,820,567 | 64,666,737 | 65.3% | 62.0% |
| Total Assets | 92,893,359 | 94,265,198 | 9,487,806 | 10,060,198 | 102,381,165 | 104,325,396 | 100.0% | 100.0% |
| Liabilities | | | | | | | | |
| Current Liabilities | 8,751,020 | 5,170,841 | 568,644 | 431,529 | 9,319,644 | 5,602,370 | 36.0% | 23.6% |
| Long-Term Liabilities | 14,425,187 | 15,599,730 | 2,139,548 | 2,513,510 | 16,564,735 | 18,113,240 | 64.0% | 76.4% |
| Total Liabilities | 23,176,207 | 20,770,571 | 2,708,192 | 2,945,039 | 25,884,399 | 23,715,610 | 100.0% | 100.0% |
| Net Position | | | | | | | | |
| Net Investment in Capital Assets | 51,196,730 | 52,041,283 | 6,370,428 | 6,533,478 | 57,567,158 | 58,574,761 | 75.3% | 72.7% |
| Restricted -- Capital Projects | 11,597,537 | 14,231,581 | - | - | 11,597,537 | 14,231,581 | 15.1% | 17.6% |
| Restricted -- Other Purposes | 1,119,317 | 806,335 | - | - | 1,119,317 | 806,335 | 1.5% | 1.0% |
| Unrestricted | 5,803,568 | 6,415,428 | 409,186 | 581,681 | 6,212,754 | 6,997,109 | 8.1% | 8.7% |
| Total Net Position | 69,717,152 | 73,494,627 | 6,779,614 | 7,115,159 | 76,496,766 | 80,609,786 | 100.0% | 100.0% |

The County reported decreasing balances in total net position for both governmental and business-type activities. Total net position for fiscal year 2014 decreased by \$4,113,020 (or 5.1%), with 91.8% of the decrease occurring in governmental activities (\$3,777,475, or 5.1%), and the remaining decrease by \$335,545 (or 4.7%) for business-type activities.

Note that in fiscal year 2014 and 2013, respectively 75.3% and 72.7% of the total net position was invested in capital assets, net of debt. This documents that the County continues to invest adequately in the capital assets needed to provide services, with minimal reliance on debt for capital investment. On the business type activities, the County has invested a higher ratio, 94.0% in fiscal year 2014, and 91.8% in fiscal year 2013, of its net position on capital assets, net of debt. For governmental activities, unrestricted net position decreased from 8.7% of total net position to 8.3% between fiscal years 2013 and 2014. For business-type activities, unrestricted net position was 6.0% of total net position with a decrease of (\$172,495 or 29.7%), between fiscal years 2013 and 2014. Overall, this decreased total unrestricted net position from 8.7% to 8.1% of total net position.

Summary of Changes in Net Position

| | 2014 | | | | 2013 | | | |
|------------------------------------|-------------------------|---------------------|-------------------|---------------------|-------------------------|---------------------|-------------------|---------------------|
| | Governmental Activities | Business Activities | Total | Percentage of Total | Governmental Activities | Business Activities | Total | Percentage of Total |
| Program Revenues | | | | | | | | |
| Fees, Fines, Charges for Services | 12,149,173 | 2,076,705 | 14,225,878 | 28.0% | 12,066,468 | 2,047,099 | 14,113,567 | 28.1% |
| Operating Grants and Contributions | 1,227,248 | | 1,227,248 | 2.4% | 1,121,869 | | 1,121,869 | 2.3% |
| Capital Grants and Contributions | 1,956,970 | | 1,956,970 | 3.8% | 1,359,432 | | 1,359,432 | 2.7% |
| General Revenues | | | | | | | | |
| Taxes | 32,940,248 | | 32,940,248 | 64.7% | 33,270,975 | | 33,270,975 | 66.3% |
| Other | 544,308 | | 544,308 | 1.1% | 315,988 | 127 | 316,115 | 0.6% |
| Total Revenues | 48,817,947 | 2,076,705 | 50,894,652 | 100.0% | 48,134,732 | 2,047,226 | 50,181,958 | 100.0% |
| Program Expenses | | | | | | | | |
| General Government | 4,357,830 | | 4,357,830 | 7.9% | 4,395,345 | | 4,395,345 | 8.5% |
| Judicial | 3,407,810 | | 3,407,810 | 6.2% | 3,062,492 | | 3,062,492 | 5.9% |
| Public Safety | 20,384,317 | | 20,384,317 | 37.1% | 20,321,959 | | 20,321,959 | 39.4% |
| Public Works | 8,759,936 | | 8,759,936 | 15.9% | 8,417,887 | | 8,417,887 | 16.3% |
| Sanitation | 4,178,841 | | 4,178,841 | 7.6% | 3,991,225 | | 3,991,225 | 7.8% |
| Health and Welfare | 482,303 | | 482,303 | .9% | 496,666 | | 496,666 | 1.0% |
| Libraries and Recreation | 5,051,747 | | 5,051,747 | 9.2% | 4,976,067 | | 4,976,067 | 9.7% |
| Airport | 783,163 | | 783,163 | 1.4% | 857,566 | | 857,566 | 1.7% |
| Housing and Development | 4,747,035 | | 4,747,035 | 8.6% | 1,809,287 | | 1,809,287 | 3.5% |
| Education | 378,813 | | 378,813 | 0.7% | 350,493 | | 350,493 | 0.7% |
| Interest | 224,208 | | 224,208 | 0.4% | 478,272 | | 478,272 | 0.9% |
| Aquatic Center | | 2,083,571 | 2,083,571 | 3.8% | | 2,200,034 | 2,200,034 | 4.3% |
| Agribusiness Center | | 168,098 | 168,098 | 0.3% | | 157,110 | 157,110 | 0.3% |
| Total Expenses | 52,756,003 | 2,251,669 | 55,007,672 | 100.0% | 49,157,259 | 2,357,144 | 51,514,403 | 100.0% |
| Excess (Deficiency) | (3,938,056) | (174,964) | (4,113,020) | | (1,022,527) | (309,918) | (1,332,445) | |
| Transfers | 160,581 | (160,581) | | | 107,945 | (107,945) | | |
| Change in Net Position | (3,777,475) | (335,545) | (4,113,020) | | (914,582) | (417,863) | (1,332,445) | |
| Prior Period Adjustment | - | - | - | | 423,541 | - | 423,541 | |
| Beginning Net Position | 73,494,627 | 7,115,159 | 80,609,786 | | 73,985,668 | 7,533,022 | 81,942,231 | |
| Ending Net Position | 69,717,152 | 6,779,614 | 76,496,766 | | 73,494,627 | 7,115,159 | 80,609,786 | |

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 \$10,289,528 in local option sales taxes in fiscal year 2014 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; and 2013 for a six-year term. At first glance it appears that the County may be heavily reliant on sales taxes to support governmental operations. In fiscal year 2014, sales taxes of \$9,920,972 out of \$48,497,621 in total governmental funds revenues (or 20.5%) were received from SPLOST 2007 and SPLOST 2013. However, all SPLOST proceeds are defined by law to be spent on capital outlays, not operating costs.

The County has been able to earn \$20,380 in fiscal year 2014, and \$28,244 in fiscal year 2013, in interest to support governmental activities. Also, note that program revenues covered 29.1% in fiscal year 2014, and 29.6% in fiscal year 2013 of governmental operating expenses. This means that the government's taxpayers and the other general revenues funded the remaining 70.9% in fiscal year 2014, and 70.4% in fiscal year 2013 of the governmental activities.

Property taxes are an important source of revenue to Bulloch County's General Fund. In fiscal year 2014, property tax revenues were \$18,650,892 (or 60.8% of total general fund revenues), in fiscal year 2013, \$18,441,620 (or 60.1% of total general fund revenues). This further illustrates the County's high dependence on property tax sources noted above.

Governmental Activities: Functional Expenses

Public safety is the county's largest functional cost, comprising 38.6% of the County's total governmental activity expenses in fiscal year 2014, followed by Public Works (16.6%) and Libraries and Recreation (9.6%). In fiscal year 2013, those figures were 41.3%, 17.1% and 10.1% 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 | | 2013 | |
|-------------------------|-------------------------|----------------------|------------------------|----------------------|
| | 2014 | | | |
| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| General Government | 4,357,830 | (3,086,668) | 4,395,345 | (3,186,116) |
| Judicial | 3,407,810 | (2,638,122) | 3,062,492 | (2,492,313) |
| Public Safety | 20,384,317 | (12,888,954) | 20,321,959 | (12,854,642) |
| Public Works | 8,759,936 | (6,841,064) | 8,417,887 | (7,789,854) |
| Sanitation | 4,178,841 | (3,227,878) | 3,991,225 | (2,903,767) |
| Health and Welfare | 482,303 | (482,303) | 496,666 | (496,666) |
| Recreation | 4,513,541 | (2,885,618) | 4,437,861 | (2,871,472) |
| Libraries | 538,206 | (538,206) | 538,206 | (538,206) |
| Airport | 783,163 | (38,027) | 857,566 | 131,284 |
| Housing and Development | 4,747,035 | (4,571,564) | 1,809,287 | (1,129,466) |
| Education | 378,813 | - | 350,493 | - |
| Interest | 224,208 | (224,208) | 478,272 | (478,272) |
| Total | 52,756,003 | (37,422,612) | 49,157,259 | (34,609,490) |

For fiscal year 2014, all functions required a subsidy from general revenues comprising 70.9% of all expenses. For fiscal year 2013, all functions except the Airport required a subsidy from general revenues comprising 71.9% of all expenses.

Business-Type Activities: Revenues vs. Expenses

For fiscal year 2014, the aggregate operating revenues for the county enterprise funds were 1.4% above those of 2013 and operating expenses were .9% above fiscal year 2013. Within the total business type activities of the County, these activities reported aggregate operating loss of \$86,539 in fiscal year 2014 compared to operating loss of \$95,853 in fiscal year 2013. After non-operating expense and transfers in and out between other funds, these funds reported a combined loss of \$335,545 in fiscal year 2014 compared to a loss of \$417,863 in fiscal year 2013.

| Business-Type Activities: Operating Income (Loss) | | | | |
|---|------------|----------------|------------|----------------|
| | 2014 | | 2013 | |
| | Amount | Percent Change | Amount | Percent Change |
| Aquatic Center Fund | (\$ 1,792) | 91.9% | (\$22,093) | (132.0%) |
| Agribusiness Center Fund | (\$84,747) | (14.9%) | (\$73,760) | (10.3%) |

Operating income before transfers for the Aquatic Center Fund (Splash in the 'Boro) increased in fiscal year 2014 with operating revenues increasing by \$29,605 or 1.5%, while operating expenses increased \$9,304 or 0.5%, resulting in a 91.9% increase in annual operating income.

The operating income for the Agribusiness Center Fund decreased by 14.9% in fiscal year 2014. Operating revenues remained constant, while operating expenses before depreciation increased by 10.1%. The current operations consist of rental income to help support the 30,000 square foot office complex that house several agribusiness related governmental entities. The rental 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. \$150,100 was transferred out of the Aquatic Center Fund to the general fund in 2014. 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 \$27,765,943 in fiscal year 2014, compared to \$33,660,073 in fiscal year 2013. Of these year-end totals, in fiscal year 2014, \$855,035 was non-spendable, \$23,255,952 was restricted and \$3,654,956 was unassigned.

The total ending fund balances of governmental funds show a decrease in fiscal year 2014 of \$5,894,130 (or 17.5%) compared to an increase in fiscal year 2013 of \$13,862,508 (or 70.0%). The decrease in total ending fund balances of governmental funds in fiscal year 2014 is attributed to the use of \$4,529,839 of Sales Tax Bond Construction Fund proceeds, which is 76.9% of the decrease in total ending fund balance.

Total taxes in governmental funds were \$460,717 (or 1.4%) less than in fiscal year 2013. Charges for services increased in fiscal year 2014 to \$9,363,766 from \$9,339,159 (or 0.3%).

The governmental funds' expenditures increased by \$8,055,545 (or 16.4%), in fiscal year 2014, due to an increased investment in capital outlays than in fiscal year 2013.

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

Major Governmental Funds

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$650,226 in fiscal year 2014.

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 an increase in net position of \$83,547 for the year ended June 30, 2014 because of an increase in premiums revenue compared to fiscal year 2013. Claims expense increased \$419,123 during fiscal year 2014. However, this fund had claims liability of \$429,646 at June 30, 2014 compared to \$551,407 at the end of fiscal year 2013.

Agency Funds

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

Budgetary Highlights

The General Fund – Overall, the County recognized revenues equal to \$30,672,250 or 99.2% of the budgeted revenues in the appropriated budget. Overall, the County recognized expenditures equal to \$29,179,584 or 100.6% of the budgeted expenditures in the appropriated budget.

On the revenue side of the budget, intergovernmental revenues were considerably higher than the budgeted amount.

On the expenditure side, the Public Safety function, particularly in the Court Security and Criminal Investigations departments, had expenditures considerably higher than the budgeted amount.

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, 2014 was \$66,820,567. That compares to the fiscal year 2013 investment of \$64,666,737.

The fiscal year 2014 totals in this net investment increased by \$2,675,254 (or 4.8%) for governmental activities and decreased by \$521,424 (or 5.5%) for business-type activities. The overall increase was 3.3% 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 | |
|---------------------------------------|-------------------------|--------------------|---------------------|-------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Non-depreciable Assets | | | | | | |
| Land | 3,534,937 | 3,534,937 | 329,177 | 329,177 | 3,864,114 | 3,864,114 |
| Construction in Progress | 1,446,738 | 482,270 | 60,647 | 38,470 | 1,507,385 | 520,740 |
| Total Non-Depreciable | 4,981,675 | 4,017,207 | 389,824 | 367,647 | 5,371,499 | 4,384,854 |
| Depreciable Assets | | | | | | |
| Buildings | 41,644,783 | 41,489,262 | 7,042,188 | 7,042,188 | 48,686,971 | 48,531,450 |
| Improvements Other Than Buildings | 6,108,934 | 5,767,148 | 5,252,856 | 5,252,856 | 11,361,790 | 11,020,004 |
| Machinery and Equipment | 23,247,860 | 22,232,571 | 620,632 | 620,632 | 23,868,492 | 22,853,203 |
| Infrastructure | 122,466,422 | 117,969,097 | - | - | 122,466,422 | 117,969,097 |
| Total Depreciable Assets | 193,467,999 | 187,458,078 | 12,915,676 | 12,915,676 | 206,383,675 | 200,373,754 |
| Less Accumulated Depreciation | 140,506,812 | 136,207,677 | 4,427,795 | 3,884,194 | 144,934,607 | 140,091,871 |
| Book Value: Depreciable Assets | 52,961,187 | 51,250,401 | 8,487,881 | 9,031,482 | 61,449,068 | 60,281,883 |
| Percentage Depreciated | 72.6% | 72.7% | 34.3% | 30.1% | 70.2% | 69.9% |
| Total Book Value | 57,942,862 | 55,267,608 | 8,877,705 | 9,399,129 | 66,820,567 | 64,666,737 |

The County began reporting its governmental infrastructure constructed each year in fiscal year 2003. The only change in infrastructure between fiscal year 2013 and fiscal year 2014 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, 34.3% of the asset values were depreciated at June 30, 2014, compared to 30.1% for fiscal year 2013.

At June 30, 2014, the depreciable capital assets for governmental activities were 72.6% depreciated. This percentage is consistent with the fiscal year 2013 amount of 72.7%. *This indicates, that overall, the County is replacing capital assets at a rate near depreciation expense. The County is trying to maintain and not increase machinery, equipment and infrastructure because of the impact of the recent recession.*

Long-term Debt

In July 2012, the County issued \$12,000,000 in General Obligation Sales Tax Bonds Series 2012 primarily to fund economic development, including but not limited to land acquisition and site development and the construction of water and sewer infrastructure located within proximity to Exit 116 at the I-16 and US Route 301 interchange in Bulloch County. The annual debt service requirements run through Fiscal Year 2020. For both governmental and business type-activities, Bulloch County has \$19,394,040 of outstanding long-term debt in the form of capital leases, notes payable and General Obligation Sales Tax Bonds Series 2012, excluding compensated absences. Since 1994, the county has entered into various capital lease agreements for equipment. As they currently exist, they are expected to be paid off by 2019. There are two notes payable to the Georgia Environmental Facilities Authority with outstanding principal amounts of \$54,258 with maturity occurring in 2018 and an outstanding balance of \$567,000 with maturity occurring in 2032. The smaller note is for the acquisition of property for the future Fletcher Memorial Recreation Park. The larger note is for the expansion of the county's solid waste recycling processing center. The largest note payable in the amount of \$2,507,277 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 \$3,125,713, a net increase of \$895,427 or 40.1% from 2013. Notes Payable decreased by \$34,826 (or 5.3%). Compensated absences increased by \$85,836 or 15.1% in fiscal year 2014 to \$654,549 as a result of a proportional increase in the full-time employment base. The county continue 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 | |
|----------------------|-------------------------|-------------------|------------------|------------------|-------------------|-------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Capital Leases | 3,125,713 | 2,230,286 | - | - | 3,125,713 | 2,230,286 |
| Notes Payable | 621,258 | 656,084 | 2,507,277 | 2,865,651 | 3,128,535 | 3,521,735 |
| Bonds Payable | 13,139,792 | 13,422,269 | - | - | 13,139,792 | 13,422,269 |
| Compensated Absences | 654,549 | 568,713 | 6,873 | 7,596 | 661,422 | 576,309 |
| Total | 17,541,312 | 16,877,352 | 2,514,150 | 2,873,247 | 20,055,462 | 19,750,599 |

In sum, the County entered into new capital leasing to maintain machinery and equipment, as lease financing continues to be practical and advantageous to the County.

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

Economic Conditions Affecting the County

According to key economic indicators, the 2014 fiscal year saw Bulloch County's local economy beginning to recover from the state and national recession in 2008-2009.

In the first half of calendar year 2012, the local economy began to realize a bottoming-out of the economic decline from the preceding two years, followed by mild growth in 2013 and 2014. Georgia Southern University continues its steady planned enrollment and campus facilities expansion, which has resulted in a substantial increase in student housing on and off campus. Bulloch County also continued its commitment to nurture existing industry and businesses that complement its existing business mix, planning the development of a new industrial park and interstate commercial center at I-16 and US 301 with the investment of Special Purpose Local Option Sales Tax general obligation bonds to develop infrastructure. Continued public infrastructure investment was aided by the establishment of a 30-year tax allocation (increment financing) district approved by County voters, along with a renewed Special Purpose Local Option Sales Tax in November 2011.

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

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

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

- **Positive-to-Neutral:** With the official 2010 Census enumeration, Bulloch County population's in April 2010 was estimated at 70,217. The 2012 Census inter-censal population estimate released in July 2013 was 71,214, which is a 2.0% decrease from 2011, but still a 1.4% increase since 2010. Inter-censal estimates, often based on annual building permit data, reflected a cooling of the accelerated building of apartments in the City of Statesboro in 2010 and 2011. Trends are now emerging that show growth in single-family housing construction (see below).
- **Positive:** Per capita income for Bulloch County increased from \$24,335 in 2011 to \$26,512 in 2012, or 8.9%.
- **Negative:** County sales taxes collections in fiscal year 2014 decreased by 4.8% from \$10,425,105 in fiscal year 2013 to \$9,920,972. Sales tax growth has been static due to the implementation of various tax reform initiatives by the Georgia General Assembly.

- **Positive:** The County's employed workforce increased from 29,437 to 30,367 (or 4.8%) from June 2013 to June 2014.
- **Negative to Neutral:** The monthly unemployment rate for Bulloch County in June 2014 was 9.2%, which was below the level of 10.5% at the end of the prior fiscal year in June 2013. However, the local rate was still above state and national rates, and falls below the desired rate for frictional unemployment.
- **Neutral:** The Consumer Price Index for the Urban South Consumers increased by 2.1% during the Fiscal Year 2014 period, which is consistent with the national rate.
- **Positive:** The comprehensive net countywide tax digest increased 2.6% from \$1,707,505,552 in 2013 to \$1,753,108,779 in 2014.
- **Neutral:** While weekly wage rates for the 2014 calendar year are not yet available, indicators from the two prior years were somewhat neutral; the average weekly wage for all Bulloch County workers increased during the 2013 calendar year to \$610, from \$597 in 2012, or 2.2%.
- **Positive:** While data for the 2014 calendar year is not yet available, indicators from the two prior years were positive; single-family building permits increased in Bulloch County and its municipalities from 143 units in Calendar Year 2012 to 157 units in 2013, a 9.8% increase.
- **Positive:** While data for the 2014 calendar year is not yet available, indicators from the two prior years were positive; model-based estimates indicate that the poverty rate in Bulloch County has decreased from 31.5% in 2012 to 30.6% in 2013.

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

Our short-term projection for fiscal year 2015 is that the statewide economy will continue to grow modestly, but virtually all segments of the local and regional economy, will experience growth at a slightly lower rate.

The following represents a qualitative forecast for the local economy for the forward fiscal year ending June 30, 2015.

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

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

The most critical factor affecting County finances going forward will be whether revenue growth can accelerate without a property tax rate increase at some point in the future. However, several elastic sources of revenue are likely to remain static. If the economy continues to improve as anticipated, there will be approximately a 12-18 month lag for more significant overall revenue growth rates that would be sustainable for a three-to-four year period, if the economy does not decline.

Summary

In summary, at the close of June 30, 2014, Bulloch County government currently has adequate, but declining financial strength and liquidity. However, it has a strong capital asset base and minimal debt compared to other counties of its size in Georgia.

The operating position, particularly in the key General Fund, has declined in the past three fiscal years, but not reaching lows experienced in fiscal year 2007. Fund balance was \$9.7 million at the close of fiscal year 2001, \$4.1 million at the close of fiscal year 2007 and \$4.8 million at the close of fiscal year 2014. Fiscal year 2014 had a decrease in the General Fund Balance of \$650,226 but is still \$0.7 million above the fiscal year 2007 amount.

In the last several fiscal years, the County has attempted to restrict expenditure growth by minimizing employee wage increases and deferring or eliminating certain operating and capital expenditures. To leverage cash flow, the County institutes limited purchases of needed machinery and equipment through capital or operating leases, relying in SPLOST funds rather than the General Fund where possible. The County has also invested local and federal funds to lower telephone and electric utility costs by retrofitting facilities with energy efficiency fixtures and voice-over-internet protocol phone systems. Several County departments also raised fees and 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 local water utility 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 in the third year of the plan (FYE 2011) by increasing the unreserved general fund balance to an ideal ratio of 25.4%. However, the decline in that fund balance for the last three fiscal years puts the county over \$3 million below its goal of having a 25.0% unreserved fund balance ratio.

Six-Year General Fund Reserve Performance

| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------------------------------|------------------|------------------|----------------|--------------------|--------------------|------------------|
| Projected Surplus (\$) | 780,000 | 811,000 | 844,000 | 877,000 | 912,000 | 0 |
| Actual/ Surplus (\$) | 1,595,991 | 1,429,035 | 134,231 | (1,207,483) | (1,195,064) | (650,226) |
| FYE Fund Balance (\$ in mil.) | 6.200 | 7.629 | 7.942 | 6.734 | 5.539 | 4.890 |
| Projected Budget (\$ in mil.) | 29.5 | 31.1 | 31.3 | 31.9 | 32.0 | 31.9 |
| FYE Fund Balance Ratio (%) | 21.0 | 24.5 | 25.4 | 21.1 | 17.3 | 15.3 |

Proposed General Fund Reserve Stabilization Plan Through 2020

| Fiscal Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Projected Surplus (\$) | 283,000 | 390,000 | 450,000 | 350,000 | 250,000 | 250,000 |
| FYE Fund Balance (\$ in mil.) | 5.173 | 5.563 | 6.013 | 6.363 | 6.613 | 6.863 |
| Projected Budget (\$ in mil.) | 31.9 | 32.1 | 32.4 | 32.5 | 32.6 | 32.6 |
| FYE Fund Balance Ratio (%) | 16.2 | 17.3 | 18.6 | 19.6 | 20.3 | 21.1 |

The 2008-2009 recession clearly had a negative impact on County finances, particularly the General Fund. The Board of Commissioners attempted to weather the recessionary effects without raising the general millage rate. Meanwhile, the County's General Fund budget has remained steady at a \$31-\$32 million level to maintain the existing level of service. As the County moves forward through 2020, it must take initiatives to adjust service levels to static budget growth in light of a growing population, and popular disdain for property tax increases – while at the same time rebuilding fund reserves to a more preferred level. The 2015-2020 General Fund Reserve Stabilization reflects this approach. This means that payroll growth must be limited, and that non-payroll expenditures must be controlled. This will require the following long-term initiatives:

- An examination of the personnel compensation plan that reflects the likelihood of job-blending in the future to manage payroll through attrition.
- Leveraging SPLOST capital outlay funds for technology and sustainability improvements.
- Collaboration with local and regional units of government in service delivery initiatives.
- Accelerate economic development initiatives to broaden the commercial and industrial tax base, with incentives policies that do not cause significant erosion or opportunity costs.

The County will be looking at five key implementation items in fiscal year 2015 to continue improving both general efficiency and financial results. They are:

- Minimal, strategic pay increases will be recommended for FY 2015, with no reduction in services.
- Continue to implement hardware and software upgrades to improve enterprise resource planning for improved management oversight.
- Reorganize and improve revenue management functions for more timely collections. 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 position control budgeting, fund accounting and a full-fledged modified accrual accounting system.
- Continue planned retrofitting of facilities with energy efficiency and voice-over-internet telephone systems to achieve utility cost savings.

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

Contacting the County's Financial Management

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

Thomas M. Couch
County Manager

Whitney Richland
Chief Financial Officer

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

BULLOCH COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2014

| | Primary Government | | | Component Units | |
|---|----------------------------|-----------------------------|----------------------|-----------------------------------|--|
| | Governmental Activities | Business-type Activities | Total | Bulloch County Board of Health | Development Authority of Bulloch County |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash | \$ 30,984,267 | \$ 935,516 | \$ 31,919,783 | \$ 1,596,685 | \$ 1,895,484 |
| Receivables: | | | | | |
| Taxes | 700,836 | - | 700,836 | - | - |
| Intergovernmental | 1,330,317 | - | 1,330,317 | 59,772 | - |
| Internal balances | 325,415 | (325,415) | - | - | - |
| Other | 754,627 | - | 754,627 | - | - |
| Prepaid items | 807,689 | - | 807,689 | - | - |
| Inventories | 47,346 | - | 47,346 | - | - |
| Total Current Assets | 34,950,497 | 610,101 | 35,560,598 | 1,656,457 | 1,895,484 |
| Capital Assets: | | | | | |
| Nondepreciable capital assets | 4,981,675 | 389,824 | 5,371,499 | - | 12,126,342 |
| Depreciable capital assets, net | 52,961,187 | 8,487,881 | 61,449,068 | 65,640 | 3,129,708 |
| Total Capital Assets | 57,942,862 | 8,877,705 | 66,820,567 | 65,640 | 15,256,050 |
| Total Assets | 92,893,359 | 9,487,806 | 102,381,165 | 1,722,097 | 17,151,534 |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 4,572,311 | 146,217 | 4,718,528 | - | 17,846 |
| Accrued payroll | 370,363 | 42,388 | 412,751 | - | - |
| Accrued interest payable | 156,387 | 5,437 | 161,824 | - | - |
| Unearned revenue | 24,483 | - | 24,483 | - | 349,684 |
| Claims payable | 429,646 | - | 429,646 | - | - |
| Other liabilities | 81,705 | - | 81,705 | - | - |
| Compensated absences payable | 130,910 | 1,375 | 132,285 | 27,296 | - |
| Bonds payable | 1,860,000 | - | 1,860,000 | - | - |
| Capital leases payable | 1,089,107 | - | 1,089,107 | - | - |
| Notes payable | 36,108 | 373,227 | 409,335 | - | - |
| Total Current Liabilities | 8,751,020 | 568,644 | 9,319,664 | 27,296 | 367,530 |
| Long-Term Liabilities: | | | | | |
| Compensated absences payable (net of current portion) | 523,639 | 5,498 | 529,137 | 27,295 | - |
| Bonds payable (net of current portion) | 11,279,792 | - | 11,279,792 | - | - |
| Capital leases payable (net of current portion) | 2,036,606 | - | 2,036,606 | - | - |
| Notes payable (net of current portion) | 585,150 | 2,134,050 | 2,719,200 | - | - |
| Total Long-Term Liabilities | 14,425,187 | 2,139,548 | 16,564,735 | 27,295 | - |
| Total Liabilities | 23,176,207 | 2,708,192 | 25,884,399 | 54,591 | 367,530 |
| NET POSITION | | | | | |
| Net investment in capital assets | 51,196,730 | 6,370,428 | 57,567,158 | 65,640 | 15,256,050 |
| Restricted for: | | | | | |
| Capital projects | 11,597,537 | - | 11,597,537 | - | - |
| Other purposes | 1,119,317 | - | 1,119,317 | 568,759 | 1,527,954 |
| Unrestricted | 5,803,568 | 409,186 | 6,212,754 | 1,033,107 | - |
| Total Net Position | \$ 69,717,152 | \$ 6,779,614 | \$ 76,496,766 | \$ 1,667,506 | \$ 16,784,004 |

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

| Program/Function | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | | |
|---|----------------------|---------------------------------------|------------------------------------|----------------------------------|---|--------------------------|----------------------|--------------------------------|---|
| | | Fees, Fines, and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total | Component Units | |
| | | | | | Governmental Activities | Business-type Activities | | Bulloch County Board of Health | Development Authority of Bulloch County |
| Primary Government | | | | | | | | | |
| Governmental Activities | | | | | | | | | |
| General government | \$ 4,357,830 | \$ 870,208 | \$ 400,954 | - | \$ (3,086,668) | - | \$ (3,086,668) | | |
| Judicial | 3,407,810 | 645,176 | 124,512 | - | (2,638,122) | - | (2,638,122) | | |
| Public safety | 20,384,317 | 7,368,715 | 117,809 | \$ 8,839 | (12,888,954) | - | (12,888,954) | | |
| Public works | 8,759,936 | 81,351 | - | 1,837,521 | (6,841,064) | - | (6,841,064) | | |
| Sanitation | 4,178,841 | 773,963 | 177,000 | - | (3,227,878) | - | (3,227,878) | | |
| Health and welfare | 482,303 | - | - | - | (482,303) | - | (482,303) | | |
| Recreation | 4,513,541 | 1,599,763 | 28,160 | - | (2,885,618) | - | (2,885,618) | | |
| Libraries | 538,206 | - | - | - | (538,206) | - | (538,206) | | |
| Airport | 783,163 | 634,526 | - | 110,610 | (38,027) | - | (38,027) | | |
| Housing and development | 4,747,035 | 175,471 | - | - | (4,571,564) | - | (4,571,564) | | |
| Education | 378,813 | - | 378,813 | - | - | - | - | | |
| Interest and fiscal charges | 224,208 | - | - | - | (224,208) | - | (224,208) | | |
| Total governmental activities | <u>\$ 52,756,003</u> | <u>\$ 12,149,173</u> | <u>\$ 1,227,248</u> | <u>\$ 1,956,970</u> | <u>(37,422,612)</u> | <u>-</u> | <u>(37,422,612)</u> | | |
| Business-type Activities | | | | | | | | | |
| Aquatic Center | 2,083,571 | 1,993,354 | - | - | - | \$ (90,217) | (90,217) | | |
| Agribusiness Center | 168,098 | 83,351 | - | - | - | (84,747) | (84,747) | | |
| Total business-type activities | <u>2,251,669</u> | <u>2,076,705</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(174,964)</u> | <u>(174,964)</u> | | |
| Total - Primary Government | <u>\$ 55,007,672</u> | <u>\$ 14,225,878</u> | <u>\$ 1,227,248</u> | <u>\$ 1,956,970</u> | <u>(37,422,612)</u> | <u>(174,964)</u> | <u>(37,597,576)</u> | | |
| Component Units: | | | | | | | | | |
| Bulloch County Board of Health | \$ 1,439,489 | \$ 569,712 | \$ 968,078 | - | | | \$ 98,301 | - | |
| Development Authority of Bulloch County | 525,674 | 303,000 | 250,000 | - | | | - | \$ 27,326 | |
| Total Component Units | <u>\$ 1,965,163</u> | <u>\$ 872,712</u> | <u>\$ 1,218,078</u> | <u>\$ -</u> | | | <u>98,301</u> | <u>27,326</u> | |
| General Revenues | | | | | | | | | |
| Property taxes levied for: | | | | | | | | | |
| General purposes | | | | | 18,661,268 | - | 18,661,268 | - | |
| Fire protection | | | | | 1,449,192 | - | 1,449,192 | - | |
| Streetlight tax districts | | | | | 68,867 | - | 68,867 | - | |
| Sales taxes | | | | | 9,920,972 | - | 9,920,972 | - | |
| Insurance premium tax | | | | | 1,838,496 | - | 1,838,496 | - | |
| Other taxes | | | | | 1,001,453 | - | 1,001,453 | - | |
| Gain on sale of capital assets | | | | | 134,007 | - | 134,007 | - | |
| Interest earned | | | | | 3,375 | - | 3,375 | 2,652 | |
| Other | | | | | 406,926 | - | 406,926 | 100 | |
| Total General Revenues | | | | | <u>33,484,556</u> | <u>-</u> | <u>33,484,556</u> | <u>-</u> | |
| Transfers | | | | | 160,581 | (160,581) | - | - | |
| Total General Revenues and Transfers | | | | | <u>33,645,137</u> | <u>(160,581)</u> | <u>33,484,556</u> | <u>-</u> | |
| Change in Net Position | | | | | <u>(3,777,475)</u> | <u>(335,545)</u> | <u>(4,113,020)</u> | <u>98,301</u> | |
| Net Position Beginning of Year | | | | | <u>73,494,627</u> | <u>7,115,159</u> | <u>80,609,786</u> | <u>1,569,205</u> | |
| Net Position End of Year | | | | | <u>\$ 69,717,152</u> | <u>\$ 6,779,614</u> | <u>\$ 76,496,766</u> | <u>\$ 1,667,506</u> | |

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

| | Sales Tax | | SPLOST 02 | SPLOST 07 | SPLOST 13 | Total Nonmajor Funds | Total Governmental Funds |
|--|---------------------|-----------------------|---------------------|---------------------|---------------------|----------------------------|--------------------------------|
| | General | Bonds Construction | | | | | |
| ASSETS | | | | | | | |
| Cash | \$ (507,237) | \$ 8,805,188 | \$ 4,399,812 | \$12,018,886 | \$ 3,051,414 | \$ 1,395,602 | \$ 29,163,665 |
| Receivables: | | | | | | | |
| Taxes | 667,016 | - | - | - | - | 33,820 | 700,836 |
| Intergovernmental | 419,664 | - | - | - | 799,538 | 111,115 | 1,330,317 |
| Other | 24,743 | - | - | 400,000 | - | 195,071 | 619,814 |
| Due from other funds | 5,813,929 | - | - | - | 19,610 | 1,054,534 | 6,888,073 |
| Prepaid items | 783,211 | 334 | - | 18,507 | - | 5,637 | 807,689 |
| Inventories | - | - | - | - | - | 47,346 | 47,346 |
| TOTAL ASSETS | \$ 7,201,326 | \$ 8,805,522 | \$ 4,399,812 | \$12,437,393 | \$ 3,870,562 | \$ 2,843,125 | \$ 39,557,740 |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ 446,722 | \$ 1,001,393 | \$ - | \$ 1,038,059 | \$ 1,474,509 | \$ 571,504 | \$ 4,532,187 |
| Accrued payroll | 302,441 | - | - | - | - | 67,922 | 370,363 |
| Due to other funds | 1,054,534 | - | - | 4,494,352 | - | 778,549 | 6,327,435 |
| Unearned revenue | 12,081 | - | - | - | - | 12,402 | 24,483 |
| Other | 65,894 | - | - | - | - | 15,811 | 81,705 |
| TOTAL LIABILITIES | 1,881,672 | 1,001,393 | - | 5,532,411 | 1,474,509 | 1,446,188 | 11,336,173 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue - property taxes | 430,037 | - | - | - | - | 25,587 | 455,624 |
| FUND BALANCES | | | | | | | |
| Nonspendable | 783,211 | 334 | - | 18,507 | - | 52,983 | 855,035 |
| Restricted | - | 7,803,795 | 4,399,812 | 6,886,475 | 2,396,053 | 1,769,817 | 23,255,952 |
| Unassigned | 4,106,406 | - | - | - | - | (451,450) | 3,654,956 |
| TOTAL FUND BALANCES | 4,889,617 | 7,804,129 | 4,399,812 | 6,904,982 | 2,396,053 | 1,371,350 | 27,765,943 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 7,201,326 | \$ 8,805,522 | \$ 4,399,812 | \$12,437,393 | \$ 3,870,562 | \$ 2,843,125 | \$ 39,557,740 |

See accompanying note to the basic financial statements.

BULLOCH COUNTY, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Total Governmental Fund Balances \$ 27,765,943

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

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

| | | |
|-------------------------------|----------------------|------------|
| Cost | \$ 198,449,674 | |
| Less accumulated depreciation | <u>(140,506,812)</u> | 57,942,862 |

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

| | | |
|----------------|--|---------|
| Property taxes | | 455,624 |
|----------------|--|---------|

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

| | | |
|-----------------------|--------------------|---|
| Interfund receivables | \$ 6,562,658 | |
| Interfund payables | <u>(6,562,658)</u> | - |

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

1,250,422

Long-term liabilities, including capital leases, notes payable, bonds payable, compensated absences, and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds but are reported on the statement of net position:

| | | |
|--------------------------|------------------|---------------------|
| Accrued interest payable | \$ (156,387) | |
| Bonds payable | (13,139,792) | |
| Capital leases payable | (3,125,713) | |
| Notes payable | (621,258) | |
| Compensated absences | <u>(654,549)</u> | <u>(17,697,699)</u> |

Net Position Of Governmental Activities \$ 69,717,152

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, 2014

| | Sales Tax Bonds | | | | | Total Nonmajor Funds | Total Governmental Funds |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------------|--------------------------------|
| | General | Construction | SPLOST 02 | SPLOST 07 | SPLOST 13 | | |
| REVENUES | | | | | | | |
| Taxes | \$ 21,486,197 | - | - | \$ 3,243,667 | \$ 6,677,305 | \$ 1,521,567 | \$ 32,928,736 |
| Licenses and permits | 435,997 | - | - | - | - | - | 435,997 |
| Charges for services | 5,721,923 | - | - | - | - | 3,641,843 | 9,363,766 |
| Fees, fines and forfeitures | 1,353,180 | - | - | - | - | 405,911 | 1,759,091 |
| Intergovernmental | 1,099,850 | - | - | 1,931,124 | - | 136,239 | 3,167,213 |
| Interest | 3,366 | \$ 3,803 | - | 12,526 | 46 | 639 | 20,380 |
| Other | 571,737 | - | - | 2,998 | - | 247,703 | 822,438 |
| Total revenues | <u>30,672,250</u> | <u>3,803</u> | <u>-</u> | <u>5,190,315</u> | <u>6,677,351</u> | <u>5,953,902</u> | <u>48,497,621</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | 3,921,909 | - | - | - | - | - | 3,921,909 |
| Judicial | 3,164,187 | - | - | - | - | 22,998 | 3,187,185 |
| Public safety | 14,970,801 | - | - | - | - | 2,936,207 | 17,907,008 |
| Public works | 2,882,511 | - | - | - | - | 66,930 | 2,949,441 |
| Sanitation | 2,176,061 | - | - | - | - | 93,514 | 2,269,575 |
| Health and welfare | 365,634 | - | - | - | - | - | 365,634 |
| Recreation | - | - | - | - | - | 4,042,245 | 4,042,245 |
| Libraries | 530,000 | - | - | - | - | - | 530,000 |
| Airport | - | - | - | - | - | 641,454 | 641,454 |
| Housing and development | 786,049 | - | - | - | - | 4,644 | 790,693 |
| Capital outlay | | | | | | | |
| General government | - | - | - | 208,063 | - | 370,237 | 578,300 |
| Judicial | - | - | - | 125,542 | - | - | 125,542 |
| Public safety | - | 76,315 | - | 1,376,055 | - | 206,719 | 1,659,089 |
| Sanitation | - | - | - | 412,229 | 1,197,222 | - | 1,609,451 |
| Public works | - | - | \$ 121,845 | 5,332,272 | - | - | 5,454,117 |
| Recreation | - | - | 163,843 | 423,487 | - | 6,287 | 593,617 |
| Airport | - | - | - | 112,602 | - | - | 112,602 |
| Housing and development | - | 3,837,705 | - | 5,250 | 19,301 | - | 3,862,256 |
| Debt service: | | | | | | | |
| Principal | 1,751 | - | - | 1,303,441 | - | - | 1,305,192 |
| Interest | 1,868 | 432,900 | - | 82,219 | - | - | 516,987 |
| Intergovernmental | 378,813 | - | - | 1,249,520 | 3,064,775 | - | 4,693,108 |
| Total expenditures | <u>29,179,584</u> | <u>4,346,920</u> | <u>285,688</u> | <u>10,630,680</u> | <u>4,281,298</u> | <u>8,391,235</u> | <u>57,115,405</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>1,492,666</u> | <u>(4,343,117)</u> | <u>(285,688)</u> | <u>(5,440,365)</u> | <u>2,396,053</u> | <u>(2,437,333)</u> | <u>(8,617,784)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | 317,810 | - | - | 186,722 | - | 2,421,068 | 2,925,600 |
| Transfers out | (2,532,605) | (186,722) | (22,176) | (8,768) | - | (40,360) | (2,790,631) |
| Proceeds from capital leases | - | - | - | 2,165,793 | - | - | 2,165,793 |
| Insurance recoveries | 71,903 | - | - | 102,904 | - | - | 174,807 |
| Sale of capital assets | - | - | - | 248,085 | - | - | 248,085 |
| Total other financing sources (uses) | <u>(2,142,892)</u> | <u>(186,722)</u> | <u>(22,176)</u> | <u>2,694,736</u> | <u>-</u> | <u>2,380,708</u> | <u>2,723,654</u> |
| NET CHANGE IN FUND BALANCES | <u>(650,226)</u> | <u>(4,529,839)</u> | <u>(307,864)</u> | <u>(2,745,629)</u> | <u>2,396,053</u> | <u>(56,625)</u> | <u>(5,894,130)</u> |
| FUND BALANCES, JULY 1, 2013 | <u>5,539,843</u> | <u>12,333,968</u> | <u>4,707,676</u> | <u>9,650,611</u> | <u>-</u> | <u>1,427,975</u> | <u>33,660,073</u> |
| FUND BALANCES, JUNE 30, 2014 | <u>\$ 4,889,617</u> | <u>\$ 7,804,129</u> | <u>\$ 4,399,812</u> | <u>\$ 6,904,982</u> | <u>\$ 2,396,053</u> | <u>\$ 1,371,350</u> | <u>\$ 27,765,943</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, 2014

Net Change In Fund Balances - Total Governmental Funds \$ (5,894,130)

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 outlays exceeded depreciation expense in the current period.

| | | |
|----------------------|------------------|-----------|
| Depreciation expense | \$ (5,191,005) | |
| Capital outlay | <u>7,980,337</u> | 2,789,332 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

| | | |
|-----------------------|------------------|--------|
| Property taxes: | | |
| Unavailable @ 6/30/14 | 455,624 | |
| Unavailable @ 6/30/13 | <u>(444,112)</u> | 11,512 |

Elimination of transfers between governmental funds:

| | | |
|---------------|--------------------|---|
| Transfers in | 2,790,631 | |
| Transfers out | <u>(2,790,631)</u> | - |

Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities. (114,078)

The internal service fund used by management to charge the costs of the employee health insurance program to individual funds and the cost of the correctional food service to appropriate funds is not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. 83,547

Other financing sources for the inception of capital leases and proceeds from bonds payable are reported on the fund level operating statement but are reported as a liability on the government-wide financial statements. (2,165,793)

Governmental funds report the effects of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of this difference in the treatment of long-term debt and related items. 282,477

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 position. 1,305,192

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 the governmental funds. (75,534)

Change In Net Position of Governmental Activities \$ (3,777,475)

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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|---------------------------------|-------------------|------------------------------------|
| REVENUES | | | |
| Taxes: | | | |
| Property | \$ 18,738,500 | \$ 18,650,892 | \$ (87,608) |
| Alcoholic beverage | 260,000 | 291,259 | 31,259 |
| Insurance premium | 1,860,000 | 1,838,496 | (21,504) |
| Other | 806,000 | 705,550 | (100,450) |
| Licenses and permits | 418,000 | 435,997 | 17,997 |
| Charges for services | 5,844,900 | 5,721,923 | (122,977) |
| Fines and forfeitures | 1,511,200 | 1,353,180 | (158,020) |
| Intergovernmental | 903,300 | 1,099,850 | 196,550 |
| Interest | 3,000 | 3,366 | 366 |
| Other | 588,800 | 571,737 | (17,063) |
| Total revenues | <u>30,933,700</u> | <u>30,672,250</u> | <u>(261,450)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government: | | | |
| Governing body | 118,900 | 124,807 | (5,907) |
| County manager | 322,600 | 281,937 | 40,663 |
| County clerk | 72,600 | 75,388 | (2,788) |
| Financial administration | 557,000 | 507,875 | 49,125 |
| Staff attorney | 165,500 | 172,678 | (7,178) |
| Human resources | 84,000 | 124,141 | (40,141) |
| Public relations | 29,000 | 11,504 | 17,496 |
| General administration fees | 45,100 | 45,652 | (552) |
| Elections | 215,500 | 216,085 | (585) |
| General government buildings | 650,800 | 664,862 | (14,062) |
| Risk management/General insurance | 500,000 | 410,281 | 89,719 |
| Tax assessor | 566,900 | 543,647 | 23,253 |
| Geographic information system | 163,200 | 145,055 | 18,145 |
| Tax commissioner | 639,800 | 597,997 | 41,803 |
| Total general government | <u>4,130,900</u> | <u>3,921,909</u> | <u>208,991</u> |
| Judicial: | | | |
| Clerk of Courts | 653,600 | 853,057 | (199,457) |
| Superior Court | 244,100 | 229,151 | 14,949 |
| State Court | 326,500 | 317,290 | 9,210 |
| Mental health Court | - | 85,907 | (85,907) |
| State Court Solicitor | 194,500 | 183,573 | 10,927 |
| District Attorney | 293,760 | 293,760 | - |
| Indigent defense | 306,100 | 345,601 | (39,501) |
| Magistrate Court | 589,000 | 573,976 | 15,024 |
| Probate Court | 261,300 | 281,872 | (20,572) |
| Total judicial | <u>2,868,860</u> | <u>3,164,187</u> | <u>(295,327)</u> |
| Public safety: | | | |
| Animal control | 92,600 | 95,592 | (2,992) |
| Animal shelter | 332,800 | 334,950 | (2,150) |
| Coroner | 82,600 | 84,249 | (1,649) |
| County correctional | 2,074,700 | 1,820,976 | 253,724 |
| Public safety administration | 134,800 | 229,755 | (94,955) |
| Probation | 547,300 | 549,613 | (2,313) |
| Emergency medical service | 2,337,900 | 2,339,119 | (1,219) |
| Emergency management | 9,200 | 6,806 | 2,394 |
| Jail | 4,429,500 | 3,752,325 | 677,175 |
| Rescue | 14,400 | 1,193 | 13,207 |
| Sheriff | 4,304,000 | 4,105,094 | 198,906 |
| Criminal investigations | 12,500 | 310,917 | (298,417) |
| Crime suppression | 434,300 | 460,403 | (26,103) |
| Court security/Sheriff | 332,000 | 879,809 | (547,809) |
| Total public safety | <u>15,138,600</u> | <u>14,970,801</u> | <u>167,799</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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|---|---------------------------------|---------------------|------------------------------------|
| EXPENDITURES (Continued) | | | |
| Public works: | | | |
| Roads | \$ 2,511,900 | \$ 2,626,123 | \$ (114,223) |
| Fleet management | 296,000 | 256,388 | 39,612 |
| Total public works | <u>2,807,900</u> | <u>2,882,511</u> | <u>(74,611)</u> |
| Sanitation | <u>2,011,600</u> | <u>2,176,061</u> | <u>(164,461)</u> |
| Health and welfare: | | | |
| Health department | 166,000 | 166,000 | - |
| Other health and welfare | 200,500 | 199,634 | 866 |
| Total health and welfare | <u>366,500</u> | <u>365,634</u> | <u>866</u> |
| Libraries | <u>530,000</u> | <u>530,000</u> | <u>-</u> |
| Housing and development: | | | |
| Agricultural resources | 173,680 | 190,955 | (17,275) |
| Building inspections | 187,200 | 191,468 | (4,268) |
| Planning and zoning | 112,580 | 97,533 | 15,047 |
| Code enforcement | 69,900 | 56,093 | 13,807 |
| Economic development | 250,000 | 250,000 | - |
| Total housing and development | <u>793,360</u> | <u>786,049</u> | <u>7,311</u> |
| Debt service: | | | |
| Principal | 18,700 | 1,751 | 16,949 |
| Interest | 22,000 | 1,868 | 20,132 |
| Total debt service | <u>40,700</u> | <u>3,619</u> | <u>37,081</u> |
| Intergovernmental - Bulloch County Board of Education | <u>325,000</u> | <u>378,813</u> | <u>(53,813)</u> |
| Total expenditures | <u>29,013,420</u> | <u>29,179,584</u> | <u>(166,164)</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>1,920,280</u> | <u>1,492,666</u> | <u>(427,614)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 452,000 | 317,810 | (134,190) |
| Transfers out | (2,463,780) | (2,532,605) | (68,825) |
| Insurance recoveries | 35,000 | 71,903 | 36,903 |
| Sale of capital assets | 100,000 | - | (100,000) |
| Total other financing sources (uses) | <u>(1,876,780)</u> | <u>(2,142,892)</u> | <u>(266,112)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 43,500</u> | <u>(650,226)</u> | <u>\$ (693,726)</u> |
| FUND BALANCE, BEGINNING OF YEAR | | <u>5,539,843</u> | |
| FUND BALANCE, END OF YEAR | | <u>\$ 4,889,617</u> | |

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

| | Business Type Activities - Enterprise Funds | | | Governmental Activities |
|---|---|------------------------|---------------------|----------------------------|
| | Aquatic Center | Agribusiness Center | Total | Internal Service Funds |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash | \$ 943,754 | \$ (8,238) | \$ 935,516 | \$ 1,820,602 |
| Accounts receivable | - | - | - | 134,813 |
| Due from other funds | 69,435 | - | 69,435 | - |
| Total Current Assets | <u>1,013,189</u> | <u>(8,238)</u> | <u>1,004,951</u> | <u>1,955,415</u> |
| Noncurrent Assets | | | | |
| Capital Assets | | | | |
| Land | 73,305 | 255,872 | 329,177 | - |
| Buildings and improvements | 9,334,400 | 2,960,644 | 12,295,044 | - |
| Machinery and equipment | 597,186 | 23,446 | 620,632 | - |
| Construction in progress | - | 60,647 | 60,647 | - |
| Less accumulated depreciation | (3,594,206) | (833,589) | (4,427,795) | - |
| Total Capital Assets | <u>6,410,685</u> | <u>2,467,020</u> | <u>8,877,705</u> | <u>-</u> |
| Total Assets | <u>7,423,874</u> | <u>2,458,782</u> | <u>9,882,656</u> | <u>1,955,415</u> |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts payable | 139,483 | 6,734 | 146,217 | 40,124 |
| Accrued payroll | 42,388 | - | 42,388 | - |
| Accrued interest payable | 5,437 | - | 5,437 | - |
| Note payable | 373,227 | - | 373,227 | - |
| Claims payable | - | - | - | 429,646 |
| Compensated absences payable | 1,375 | - | 1,375 | - |
| Due to other funds | 394,850 | - | 394,850 | 235,223 |
| Total Current Liabilities | <u>956,760</u> | <u>6,734</u> | <u>963,494</u> | <u>704,993</u> |
| Long-Term Liabilities | | | | |
| Compensated absences payable (net of current portion) | 5,498 | - | 5,498 | - |
| Note payable (net of current portion) | 2,134,050 | - | 2,134,050 | - |
| Total Long-Term Liabilities | <u>2,139,548</u> | <u>-</u> | <u>2,139,548</u> | <u>-</u> |
| Total Liabilities | <u>3,096,308</u> | <u>6,734</u> | <u>3,103,042</u> | <u>704,993</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 3,903,408 | 2,467,020 | 6,370,428 | - |
| Unrestricted | 424,158 | (14,972) | 409,186 | 1,250,422 |
| Total Net Position | <u>\$ 4,327,566</u> | <u>\$ 2,452,048</u> | <u>\$ 6,779,614</u> | <u>\$ 1,250,422</u> |

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | Business Type Activities - Enterprise Funds | | | Governmental Activities |
|---------------------------------------|---|------------------------|---------------------|----------------------------|
| | Aquatic Center | Agribusiness Center | Total | Internal Service Funds |
| | | | | |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 1,993,354 | - | \$ 1,993,354 | \$ 764,354 |
| Premiums | - | - | - | 4,304,970 |
| Rents | - | \$ 83,351 | 83,351 | - |
| Total operating revenues | <u>1,993,354</u> | <u>83,351</u> | <u>2,076,705</u> | <u>5,069,324</u> |
| OPERATING EXPENSES | | | | |
| Salaries and benefits | 791,099 | - | 791,099 | 114,283 |
| Materials and supplies | 546,689 | 11,482 | 558,171 | 794,744 |
| Purchased/contacted services | 192,743 | 77,630 | 270,373 | 607,038 |
| Depreciation | 464,615 | 78,986 | 543,601 | - |
| Claims | - | - | - | 3,495,324 |
| Total operating expenses | <u>1,995,146</u> | <u>168,098</u> | <u>2,163,244</u> | <u>5,011,389</u> |
| OPERATING INCOME (LOSS) | <u>(1,792)</u> | <u>(84,747)</u> | <u>(86,539)</u> | <u>57,935</u> |
| NON-OPERATING REVENUE(EXPENSE) | | | | |
| Interest income | - | - | - | - |
| Interest expense | (88,425) | - | (88,425) | - |
| Total non-operating revenue (expense) | <u>(88,425)</u> | <u>-</u> | <u>(88,425)</u> | <u>-</u> |
| INCOME (LOSS) BEFORE TRANSFERS | (90,217) | (84,747) | (174,964) | 57,935 |
| TRANSFERS IN (OUT) | <u>(184,409)</u> | <u>23,828</u> | <u>(160,581)</u> | <u>25,612</u> |
| CHANGE IN NET POSITION | (274,626) | (60,919) | (335,545) | 83,547 |
| NET POSITION, JULY 1, 2013 | <u>4,602,192</u> | <u>2,512,967</u> | <u>7,115,159</u> | <u>1,166,875</u> |
| NET POSITION, JUNE 30, 2014 | <u>\$ 4,327,566</u> | <u>\$ 2,452,048</u> | <u>\$ 6,779,614</u> | <u>\$ 1,250,422</u> |

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | Business Type Activities - Enterprise Funds | | | Governmental Activities |
|--|---|------------------------|-------------------|----------------------------|
| | Aquatic Center | Agribusiness Center | Total | Internal Service Funds |
| | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from customers | \$ 1,988,835 | \$ 77,140 | \$ 2,065,975 | - |
| Cash received from internal charges | - | - | - | \$ 5,069,324 |
| Cash payments to employees for salaries and benefits | (785,772) | - | (785,772) | (116,185) |
| Cash payments for supplies and services | (486,563) | (88,180) | (574,743) | (1,275,898) |
| Cash payments for claims | - | - | - | (3,738,913) |
| Net cash provided (used) by operating activities | <u>716,500</u> | <u>(11,040)</u> | <u>705,460</u> | <u>(61,672)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers in (out) | <u>(184,409)</u> | <u>-</u> | <u>(184,409)</u> | <u>25,612</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Principal paid on note payable | (358,374) | - | (358,374) | - |
| Interest paid on note payable | (91,488) | - | (91,488) | - |
| Transfers in from capital projects fund | - | 23,828 | 23,828 | - |
| Purchase of capital assets | - | (22,177) | (22,177) | - |
| Net cash provided (used) by capital and related financing activities | <u>(449,862)</u> | <u>1,651</u> | <u>(448,211)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | <u>82,229</u> | <u>(9,389)</u> | <u>72,840</u> | <u>(36,060)</u> |
| CASH AND CASH EQUIVALENTS, JULY 1, 2013 | <u>861,525</u> | <u>1,151</u> | <u>862,676</u> | <u>1,856,662</u> |
| CASH AND CASH EQUIVALENTS, JUNE 30, 2014 | <u>\$ 943,754</u> | <u>\$ (8,238)</u> | <u>\$ 935,516</u> | <u>\$ 1,820,602</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ (1,792) | \$ (84,747) | \$ (86,539) | \$ 57,935 |
| Adjustments: | | | | |
| Depreciation | 464,615 | 78,986 | 543,601 | - |
| (Increase) decrease in operating assets: | | | | |
| Accounts receivable | - | - | - | (121,828) |
| Prepaid items | - | - | - | 17,940 |
| Due from other funds | (69,435) | - | - | - |
| Increase (decrease) in operating liabilities: | | | | |
| Accounts payable | 129,061 | 932 | 129,993 | (26,643) |
| Due to other funds | 193,243 | - | 193,243 | 134,587 |
| Claims payable | - | - | - | (121,761) |
| Accrued payroll | 6,050 | - | 6,050 | (1,902) |
| Unearned revenue | (4,519) | (6,211) | (10,730) | - |
| Compensated absences payable | (723) | - | (723) | - |
| Net cash provided (used) by operating activities | <u>\$ 716,500</u> | <u>\$ (11,040)</u> | <u>\$ 774,895</u> | <u>\$ (61,672)</u> |

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

ASSETS

| | |
|------|-------------------|
| Cash | <u>\$ 859,207</u> |
|------|-------------------|

LIABILITIES

| | |
|---------------------------------------|-------------------|
| Due to other entities and individuals | <u>\$ 859,207</u> |
|---------------------------------------|-------------------|

See accompanying notes to the basic financial statements.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

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

The statement of net position presents the financial position of the governmental and business-type activities of the County and 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 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*.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

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

1-C. Measurement Focus

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

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

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

1-D. Basis of Accounting

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

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

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

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

1-E. Assets, Liabilities and Net Position

Cash, Cash Equivalents, and Investments

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

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

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

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

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. The Statesboro/Bulloch County Airport special revenue fund reported an allowance for uncollectibles of \$10,000 at June 30, 2014.

Interfund Balances

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

Consumable Inventories

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads and bridges. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by enterprise funds is capitalized. There was no interest capitalized for the year ended June 30, 2014.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

| <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.

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

Debt, Premiums, Discounts, and Issuance Costs

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows of resources as of June 30, 2014.

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

Fund Equity

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

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

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

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

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

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

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

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

- Committed
- Assigned
- Unassigned

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

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

Operating Revenues and Expenses

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

Interfund Activity

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

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

All budgets are adopted on a basis consistent with GAAP.

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

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

All unexpended annual appropriations lapse at year-end.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations for the year ended June 30, 2014 in the following departments for the general fund:

| | <u>General Fund</u> |
|--|---------------------|
| Agricultural resources | \$ 17,275 |
| Animal control | 2,992 |
| Animal shelter | 2,150 |
| Building inspections | 4,268 |
| Clerk of courts | 199,457 |
| Coroner | 1,649 |
| County clerk | 2,788 |
| Court security/Sheriff | 547,809 |
| Crime suppression | 26,103 |
| Criminal investigations | 298,417 |
| Elections | 585 |
| Emergency medical service | 1,219 |
| General administration fees | 552 |
| General government buildings | 14,062 |
| Governing body | 5,907 |
| Human resources | 40,141 |
| Indigent defense | 39,501 |
| Mental health court | 85,907 |
| Probate court | 20,572 |
| Probation | 2,313 |
| Public safety administration | 94,955 |
| Roads | 114,223 |
| Staff attorney | 7,178 |
| Intergovernmental - Board of Education | 53,813 |

The overexpenditures in these areas were funded by underexpenditures in other areas and available fund balance.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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 | \$ 57,554 |
| BCCI inmate fund | 10,515 |
| Jail inmate phone fund | 20,647 |
| E-911 | 55,054 |
| Grants fund | 31,079 |
| Urban fire district | 60,002 |
| Jail commissary | 72,338 |
| Keep Bulloch Beautiful | 5,194 |
| Sheriff's confiscated assets | 17,327 |
| Streetlight tax districts | 3,415 |

Deficit Fund Balance

The Rural Fire Protection Fund had a deficit fund balance of \$451,450 at June 30, 2014 which the County plans to eliminate with future fire tax revenue and operating transfers from the general fund.

NOTE 3 – DEPOSITS

At June 30, 2014, the carrying amount of the County's deposits (checking and certificates of deposit) was \$32,778,990, and the bank balance was \$34,812,729. Of the bank balance, \$1,624,844 was covered by federal depository insurance and \$33,187,885 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 \$1,895,484 and the bank balance was \$1,860,714 of which \$250,000 was covered by federal depository insurance and \$1,610,714 was collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

The carrying amount of deposits for the Bulloch County Board of Health was \$1,596,685 and the bank balance was \$1,602,065, which was covered by FDIC insurance or pledged securities held in the Health Department's name.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

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, 2014, property taxes were levied on August 20, 2013, and were due December 1, 2013.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2014 is as follows:

| Receivable Fund | Payable Fund | Amount |
|-----------------|---------------------------|---------------------|
| General | E-911 | \$ 352,063 |
| | SPLOST 97 | 233,366 |
| | Jail Add-On Fee | 123,685 |
| | SPLOST 07 | 4,474,742 |
| | Employee Health Insurance | 235,223 |
| | Aquatic Center | 394,850 |
| | SPLOST 13 | 19,610 |
| Aquatic Center | SPLOST 07 | 69,435 |
| | Parks and Recreation | 1,054,534 |
| | General | <u>1,054,534</u> |
| Total | | <u>\$ 6,957,508</u> |

Interfund balances at June 30, 2014 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, 2014, consisted of the following:

| Transfers To: | Transfers From: | | | | | | | Total |
|---------------------------|---------------------|------------------------------|-----------------|------------------|------------------------------|-------------------|--------------------|---------------------|
| | General Fund | Sales Tax Bonds Construction | SPLOST 07 | SPLOST 02 | Non-major Governmental Funds | Aquatic Center | Employee Insurance | |
| Parks and Recreation Fund | \$ 2,379,643 | | - | - | - | \$ 41,425 | - | \$ 2,421,068 |
| General Fund | - | | - | - | \$ 40,360 | 150,100 | \$ 127,350 | 317,810 |
| SPLOST 07 | - | \$ 186,722 | - | - | - | - | - | 186,722 |
| Correctional Food Service | 152,962 | - | - | - | - | - | - | 152,962 |
| Aquatic Center | - | - | \$ 7,116 | - | - | - | - | 7,116 |
| Agribusiness Center | - | - | 1,652 | \$ 22,176 | - | - | - | 23,828 |
| Total | <u>\$ 2,532,605</u> | <u>\$ 186,722</u> | <u>\$ 8,768</u> | <u>\$ 22,176</u> | <u>\$ 40,360</u> | <u>\$ 191,525</u> | <u>\$ 127,350</u> | <u>\$ 3,109,506</u> |

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

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

Transfers from the general fund are used primarily to help fund the parks and recreation special revenue fund and correctional food service internal service fund. Transfers to the general fund from other funds represent reimbursements for indirect costs paid by the general fund. Transfers from the SPLOST 07 and SPLOST 02 capital projects funds represent capital improvements made at the Aquatic Center and Agribusiness Center. The sales tax bonds construction capital projects fund transferred funds to help fund SPLOST 07 capital projects. The Aquatic Center transferred funds to the Parks and Recreation Fund to help fund its operations.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

| | Balance 7/1/2013 | Additions | Deductions | Balance 6/30/2014 |
|--|----------------------|---------------------|-------------------|----------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 3,534,937 | - | - | \$ 3,534,937 |
| Construction in progress | 482,270 | \$ 964,468 | - | 1,446,738 |
| Total capital assets not being depreciated | 4,017,207 | 964,468 | - | 4,981,675 |
| Capital assets being depreciated: | | | | |
| Buildings | 41,489,262 | 155,521 | - | 41,644,783 |
| Improvements other than buildings | 5,767,148 | 341,786 | - | 6,108,934 |
| Machinery and equipment | 22,232,571 | 2,021,237 | \$ 1,005,948 | 23,247,860 |
| Infrastructure | 117,969,097 | 4,497,325 | - | 122,466,422 |
| Total capital assets being depreciated | 187,458,078 | 7,015,869 | 1,005,948 | 193,467,999 |
| Total capital assets | 191,475,285 | 7,980,337 | 1,005,948 | 198,449,674 |
| Accumulated depreciation: | | | | |
| Buildings | 13,736,225 | 1,097,211 | - | 14,833,436 |
| Improvements other than buildings | 2,630,792 | 262,694 | - | 2,893,486 |
| Machinery and equipment | 15,274,814 | 2,112,100 | 891,870 | 16,495,044 |
| Infrastructure | 104,565,846 | 1,719,000 | - | 106,284,846 |
| Total accumulated depreciation | 136,207,677 | 5,191,005 | 891,870 | 140,506,812 |
| Governmental activities capital assets, net | \$ 55,267,608 | \$ 2,789,332 | \$ 114,078 | \$ 57,942,862 |

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS (Continued)

Governmental activities depreciation expense:

| | |
|--|---------------------|
| General government | \$ 234,713 |
| Judicial | 203,316 |
| Public safety | 1,605,342 |
| Public works | 2,321,736 |
| Sanitation | 169,693 |
| Health and welfare | 116,669 |
| Recreation | 383,509 |
| Libraries | 8,206 |
| Airport | 146,836 |
| Housing and development | <u>985</u> |
| Total governmental activities depreciation expense | <u>\$ 5,191,005</u> |

Capital asset activity for the year ended June 30, 2014 for the County's enterprise funds was as follows:

| | <u>Balance</u> <u>7/1/2013</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>6/30/2014</u> |
|--|-----------------------------------|---------------------|-------------------|------------------------------------|
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 329,177 | - | - | \$ 329,177 |
| Construction in progress | 38,470 | \$ 22,177 | - | 60,647 |
| Total capital assets not being depreciated | <u>367,647</u> | <u>22,177</u> | <u>-</u> | <u>389,824</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 7,042,188 | - | - | 7,042,188 |
| Improvements other than buildings | 5,252,856 | - | - | 5,252,856 |
| Machinery and equipment | 620,632 | - | - | 620,632 |
| Total capital assets being depreciated | <u>12,915,676</u> | <u>-</u> | <u>-</u> | <u>12,915,676</u> |
| Total capital assets | <u>13,283,323</u> | <u>22,177</u> | <u>-</u> | <u>13,305,500</u> |
| Accumulated depreciation: | | | | |
| Buildings | 1,892,207 | 207,970 | - | 2,100,177 |
| Machinery and equipment | 458,072 | 50,360 | - | 508,432 |
| Improvements other than buildings | 1,533,915 | 285,271 | - | 1,819,186 |
| Total accumulated depreciation | <u>3,884,194</u> | <u>543,601</u> | <u>-</u> | <u>4,427,795</u> |
| Business-type activities capital assets, net | <u>\$ 9,399,129</u> | <u>\$ (521,424)</u> | <u>-</u> | <u>\$ 8,877,705</u> |

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

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 \$4,745,851. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Amortization of the cost of the equipment is included in depreciation expense in the government-wide financial statements and accumulated depreciation was \$1,284,287 at June 30, 2014.

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, 2014:

| <u>Year ending June 30</u> | |
|--|---------------------|
| 2015 | \$ 1,129,768 |
| 2016 | 850,121 |
| 2017 | 546,521 |
| 2018 | 403,013 |
| 2019 | <u>302,259</u> |
| Total minimum lease payments | 3,231,682 |
| Less amount representing interest | <u>105,969</u> |
| Present value of future minimum lease payments | <u>\$ 3,125,713</u> |

NOTE 8 – NOTES PAYABLE

Notes payable at June 30, 2014 consisted of the following:

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> |
|--|------------------------------------|-------------------------------------|
| Note payable to Georgia Environmental Finance Authority for acquisition of property for Fletcher Memorial Recreation Park, payable in monthly installments of \$1,278, including interest at 3% through March 1, 2018. | \$ 54,258 | |
| Note payable to Georgia Environmental Finance Authority for Recycle Station, payable in monthly installments of \$3,620, including interest at 3.81% through August 1, 2032. | 567,000 | |
| Note payable to Sea Island Bank for expansion of Aquatic Center, payable in bi-annual installments payments of \$224,931 including interest at 3.25% through June 1, 2020 | | \$ 2,507,277 |
| | <u>\$ 621,258</u> | <u>\$ 2,507,277</u> |

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – NOTES PAYABLE (Continued)

As of June 30, 2014, annual debt service requirements to maturity are as follows:

| Year ending June 30 | Governmental Activities | | | Business-type Activities | | |
|------------------------|-------------------------|-------------------|-------------------|--------------------------|-------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2015 | \$ 36,108 | \$ 22,657 | \$ 58,765 | \$ 373,227 | \$ 76,636 | \$ 449,863 |
| 2016 | 37,392 | 21,373 | 58,765 | 383,144 | 66,719 | 449,863 |
| 2017 | 38,722 | 20,043 | 58,765 | 395,783 | 54,080 | 449,863 |
| 2018 | 36,208 | 15,935 | 52,143 | 408,839 | 41,024 | 449,863 |
| 2019 | 25,868 | 17,566 | 43,434 | 422,327 | 27,536 | 449,863 |
| 2020-2024 | 145,188 | 71,985 | 217,173 | 523,957 | 13,605 | 537,562 |
| 2025-2029 | 175,606 | 41,567 | 217,173 | - | - | - |
| 2030-2033 | 126,166 | 7,747 | 133,913 | - | - | - |
| | <u>\$ 621,258</u> | <u>\$ 218,873</u> | <u>\$ 840,131</u> | <u>\$ 2,507,277</u> | <u>\$ 279,600</u> | <u>\$ 2,786,877</u> |

NOTE 9 – BONDS PAYABLE

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

The bonds have interest rates ranging from two to five percent. The bonds require annual principal payments beginning September 1, 2014 through September 1, 2019, and interest is payable semiannually on March 1 and September 1 each year.

The principal and interest on the bonds are payable from SPLOST funds. As of June 30, 2014, annual debt service requirements for the bonds are as follows:

| Year ending June 30 | Principal | Interest | Total Debt Service |
|------------------------|----------------------|---------------------|-----------------------|
| 2015 | \$ 1,860,000 | \$ 409,250 | \$ 2,269,250 |
| 2016 | 1,900,000 | 371,950 | 2,271,950 |
| 2017 | 1,950,000 | 323,700 | 2,273,700 |
| 2018 | 2,005,000 | 254,350 | 2,259,350 |
| 2019 | 2,095,000 | 161,875 | 2,256,875 |
| 2020 | 2,190,000 | 54,750 | 2,244,750 |
| Total | <u>\$ 12,000,000</u> | <u>\$ 1,575,875</u> | <u>\$ 13,575,875</u> |

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – CHANGES IN LONG-TERM DEBT

| | Balance July 1, 2013 | Additions | Reductions | Balance June 30, 2014 | Amounts Due In One Year |
|---------------------------------------|----------------------------|---------------------|---------------------|-----------------------------|-------------------------------|
| Governmental Activities | | | | | |
| Bonds payable | \$ 12,000,000 | - | - | \$ 12,000,000 | \$ 1,860,000 |
| Unamortized premium | 1,422,269 | - | \$ 282,477 | 1,139,792 | - |
| Total bonds payable | <u>13,422,269</u> | <u>-</u> | <u>282,477</u> | <u>13,139,792</u> | <u>1,860,000</u> |
| Capital leases payable | 2,230,286 | \$ 2,165,793 | 1,270,366 | 3,125,713 | 1,089,107 |
| Notes payable | 656,084 | - | 34,826 | 621,258 | 36,108 |
| Compensated absences payable | 568,713 | 132,525 | 46,689 | 654,549 | 130,910 |
| Total Governmental Activities | <u>\$ 16,877,352</u> | <u>\$ 2,298,318</u> | <u>\$ 1,634,358</u> | <u>\$ 17,541,312</u> | <u>\$ 3,116,125</u> |
| Business-Type Activities | | | | | |
| Compensated absences payable | \$ 7,596 | - | \$ 723 | \$ 6,873 | \$ 1,375 |
| Notes payable | <u>2,865,651</u> | <u>-</u> | <u>358,374</u> | <u>2,507,277</u> | <u>373,227</u> |
| Total Business-Type Activities | <u>\$ 2,873,247</u> | <u>-</u> | <u>\$ 359,097</u> | <u>\$ 2,514,150</u> | <u>\$ 374,602</u> |

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

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2014, governmental fund balances are composed of the following:

| | General Fund | Sales Tax Bonds Construction | SPLOST 02 | SPLOST 07 | SPLOST 13 | Other Governmental Funds | Total Governmental Funds |
|---------------------------|--------------|------------------------------------|--------------|--------------|--------------|--------------------------------|--------------------------------|
| Nonspendable: | | | | | | | |
| Prepaid items | \$ 783,211 | \$ 334 | - | \$ 18,507 | - | \$ 5,637 | \$ 807,689 |
| Inventories | - | - | - | - | - | 47,346 | 47,346 |
| Total nonspendable | 783,211 | 334 | - | 18,507 | - | 52,983 | 855,035 |
| Restricted: | | | | | | | |
| Capital projects | - | 7,803,795 | \$ 4,399,812 | 6,886,475 | \$ 2,396,053 | 252,033 | 21,738,168 |
| Sheriff | - | - | - | - | - | 185,470 | 185,470 |
| Correctional facility | - | - | - | - | - | 16,104 | 16,104 |
| Airport | - | - | - | - | - | 263,635 | 263,635 |
| Public safety projects | - | - | - | - | - | 46,503 | 46,503 |
| Drug education | - | - | - | - | - | 131,017 | 131,017 |
| Jail | - | - | - | - | - | 43,827 | 43,827 |
| Urban fire district | - | - | - | - | - | 194,900 | 194,900 |
| E-911 services | - | - | - | - | - | 464,088 | 464,088 |
| Greenspace project | - | - | - | - | - | 19,888 | 19,888 |
| Juvenile services | - | - | - | - | - | 16,143 | 16,143 |
| Sanitation | - | - | - | - | - | 23,627 | 23,627 |
| Recreation | - | - | - | - | - | 61,064 | 61,064 |
| Streetlight tax districts | - | - | - | - | - | 51,518 | 51,518 |
| Total restricted | - | 7,803,795 | 4,399,812 | 6,886,475 | 2,396,053 | 1,769,817 | 23,255,952 |
| Unassigned | 4,106,406 | - | - | - | - | (451,450) | 3,654,956 |
| Total fund balances | \$ 4,889,617 | \$ 7,804,129 | \$ 4,399,812 | \$ 6,904,982 | \$ 2,396,053 | \$ 1,371,350 | \$ 27,765,943 |

NOTE 12 – EMPLOYEE RETIREMENT PLANS

Defined Contribution Plan

Effective November 1, 1994, the County adopted the Bulloch County Retirement Plan. The plan is administered by Gebcorp, and covers all employees over the age of 21 who have completed one year of service. Employees cannot contribute to the plan. Contributions to the plan are at the discretion of the Board of Commissioners. The Board of Commissioners is assigned the authority to establish and amend any provisions of the plan. During the year ended June 30, 2014, the County contributed \$784,359 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.

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

Clerk of Superior Court Retirement Fund

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

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

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

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, 2014 were \$117,636. Contributions are fully vested to employees after 10 years of continuous service.

NOTE 13 – EMPLOYEE INSURANCE FUND

As of May 1, 1993, the County established an employee insurance fund (an internal service fund) to cover all employee health claims. The County makes payments to this fund on a monthly basis based on estimated premiums provided by the third party administrator to fund this program. Amounts are also withheld from employees by payroll deduction for dependent coverage and paid to the employee insurance fund. A third party administrator pays all claims from funds held in the employee insurance fund's bank account. The County has a co-insuror for claims from one individual within one year exceeding \$75,000 and has a maximum annual liability policy of \$3,974,413.

The claims liability of \$429,646 reported at June 30, 2014 represents known claims incurred on or prior to June 30, 2014 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 |
|-----------------------|---|---|--------------------|----------------------------------|
| 2013 | \$ 509,597 | \$ 3,076,201 | \$ 3,034,391 | \$ 551,407 |
| 2014 | 551,407 | 3,495,324 | 3,617,085 | 429,646 |

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 14 – RISK MANAGEMENT

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

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

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

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

NOTE 15 – CONTINGENCIES

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

NOTE 16 – JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the ten county Southeast Georgia area, is a member of the Coastal Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2014, the County paid \$39,937 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

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

BULLOCH COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 17 – HOTEL/MOTEL LODGING TAX

The county has levied a five percent lodging tax. A summary of the transactions for the year ended June 30, 2014 follows:

| | | <u>Percentage of tax receipts</u> |
|---|-------------|---------------------------------------|
| Lodging tax receipts | \$ 4,644 | |
| Disbursements to the: | | |
| Statesboro Convention and Visitors Bureau for promotion of tourism | (3,530) | 76.0% |
| Statesboro Arts Council for performing arts center | (882) | 19.0% |
| County for administrative costs | (232) | 5.0% |
| Total | <u>\$ -</u> | |

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

BULLOCH COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

| | Total Nonmajor Special Revenue Funds | SPLOST 97 Capital Projects Fund | Total Nonmajor Funds |
|---|--|---------------------------------------|----------------------------|
| ASSETS | | | |
| Cash | \$ 681,123 | \$ 714,479 | \$ 1,395,602 |
| Receivables: | | | |
| Intergovernmental | 111,115 | - | 111,115 |
| Accounts | 195,071 | - | 195,071 |
| Taxes | 33,820 | - | 33,820 |
| Due from other funds | 1,054,534 | - | 1,054,534 |
| Prepaid items | 5,637 | - | 5,637 |
| Inventories | 47,346 | - | 47,346 |
| TOTAL ASSETS | \$ 2,128,646 | \$ 714,479 | \$ 2,843,125 |
| LIABILITIES | | | |
| Accounts payable | \$ 342,424 | \$ 229,080 | \$ 571,504 |
| Accrued payroll | 67,922 | - | 67,922 |
| Unearned revenue | 12,402 | - | 12,402 |
| Due to other funds | 545,183 | 233,366 | 778,549 |
| Other | 15,811 | - | 15,811 |
| Total liabilities | <u>983,742</u> | <u>462,446</u> | <u>1,446,188</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue - Property taxes | 25,587 | - | 25,587 |
| FUND BALANCE | | | |
| Nonspendable | 52,983 | - | 52,983 |
| Restricted | 1,517,784 | 252,033 | 1,769,817 |
| Unassigned | (451,450) | - | (451,450) |
| Total fund balance | <u>1,119,317</u> | <u>252,033</u> | <u>1,371,350</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | \$ 2,128,646 | \$ 714,479 | \$ 2,843,125 |

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | Total Nonmajor Special Revenue Funds | SPLOST 97 Capital Projects Fund | Total Nonmajor Funds |
|--|--|---------------------------------------|----------------------------|
| REVENUES | | | |
| Taxes | \$ 1,521,567 | - | \$ 1,521,567 |
| Charges for services | 3,641,843 | - | 3,641,843 |
| Fees, fines and forfeitures | 405,911 | - | 405,911 |
| Intergovernmental | 136,239 | - | 136,239 |
| Interest | 9 | \$ 630 | 639 |
| Other | 247,703 | - | 247,703 |
| Total revenues | <u>5,953,272</u> | <u>630</u> | <u>5,953,902</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Airport | 641,454 | - | 641,454 |
| Judicial | 22,998 | - | 22,998 |
| Public safety | 2,936,207 | - | 2,936,207 |
| Public works | 66,930 | - | 66,930 |
| Recreation | 4,042,245 | - | 4,042,245 |
| Sanitation | 93,514 | - | 93,514 |
| Housing and development | 4,644 | - | 4,644 |
| Capital outlay | | | |
| General government | - | 370,237 | 370,237 |
| Public safety | 206,719 | - | 206,719 |
| Recreation | 6,287 | - | 6,287 |
| Debt service: | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| Total Expenditures | <u>8,020,998</u> | <u>370,237</u> | <u>8,391,235</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(2,067,726)</u> | <u>(369,607)</u> | <u>(2,437,333)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 2,421,068 | - | 2,421,068 |
| Transfers out | (40,360) | - | (40,360) |
| Total other financing sources (uses) | <u>2,380,708</u> | <u>-</u> | <u>2,380,708</u> |
| NET CHANGE IN FUND BALANCES | 312,982 | (369,607) | (56,625) |
| FUND BALANCES, BEGINNING OF YEAR | <u>806,335</u> | <u>621,640</u> | <u>1,427,975</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 1,119,317</u> | <u>\$ 252,033</u> | <u>\$ 1,371,350</u> |

BULLOCH COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

| | Statesboro/ Bulloch County Airport Fund | BCCI Inmate Fund | BCCI Designated Special Projects Fund | Drug Education Fund | Jail Inmate Phone Fund | E-911 Fund | Grants Fund | Greenspace Fund | Hotel/ Motel Tax Fund | Urban Fire District Fund |
|---|--|------------------------|---|---------------------------|---------------------------------|-------------------|------------------|--------------------|-----------------------------|--------------------------------|
| ASSETS | | | | | | | | | | |
| Cash | \$ 298,837 | \$ 16,104 | \$ 44,031 | \$ 147,783 | \$ 9,251 | \$ 557,241 | \$ 12,402 | \$ 19,888 | \$ 3,637 | \$ 304,825 |
| Receivables: | | | | | | | | | | |
| Intergovernmental | - | - | - | - | - | 111,115 | - | - | - | - |
| Accounts | 25,314 | - | 2,472 | - | - | 167,285 | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | 1,179 | - |
| Due from other funds | - | - | - | - | - | - | - | - | - | - |
| Prepaid items | 5,637 | - | - | - | - | - | - | - | - | - |
| Inventories | 47,346 | - | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | \$ 377,134 | \$ 16,104 | \$ 46,503 | \$ 147,783 | \$ 9,251 | \$ 835,641 | \$ 12,402 | \$ 19,888 | \$ 4,816 | \$ 304,825 |
| LIABILITIES | | | | | | | | | | |
| Accounts payable | \$ 58,711 | - | - | \$ 16,766 | - | \$ 7,644 | - | - | \$ 4,816 | \$ 109,925 |
| Accrued payroll | 1,805 | - | - | - | - | 11,846 | - | - | - | - |
| Unearned revenue | - | - | - | - | - | - | \$ 12,402 | - | - | - |
| Due to other funds | - | - | - | - | - | 352,063 | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total liabilities | 60,516 | - | - | 16,766 | - | 371,553 | 12,402 | - | 4,816 | 109,925 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | |
| Unavailable revenue - Property taxes | - | - | - | - | - | - | - | - | - | - |
| FUND BALANCE | | | | | | | | | | |
| Nonspendable | 52,983 | - | - | - | - | - | - | - | - | - |
| Restricted | 263,635 | \$ 16,104 | \$ 46,503 | 131,017 | 9,251 | 464,088 | - | \$ 19,888 | - | 194,900 |
| Unassigned | - | - | - | - | - | - | - | - | - | - |
| Total fund balance | 316,618 | 16,104 | 46,503 | 131,017 | 9,251 | 464,088 | - | 19,888 | - | 194,900 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | \$ 377,134 | \$ 16,104 | \$ 46,503 | \$ 147,783 | \$ 9,251 | \$ 835,641 | \$ 12,402 | \$ 19,888 | \$ 4,816 | \$ 304,825 |

BULLOCH COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

| | 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 | \$ 123,685 | \$ 34,576 | \$ 16,143 | \$ 23,627 | \$ (735,312) | \$ (437,379) | \$ 171,194 | \$ 14,276 | \$ 56,314 | \$ 681,123 |
| Receivables: | | | | | | | | | | |
| Intergovernmental | - | - | - | - | - | - | - | - | - | 111,115 |
| Accounts | - | - | - | - | - | - | - | - | - | 195,071 |
| Taxes | - | - | - | - | - | 32,641 | - | - | - | 33,820 |
| Due from other funds | - | - | - | - | 1,054,534 | - | - | - | - | 1,054,534 |
| Prepaid items | - | - | - | - | - | - | - | - | - | 5,637 |
| Inventories | - | - | - | - | - | - | - | - | - | 47,346 |
| TOTAL ASSETS | <u>\$ 123,685</u> | <u>\$ 34,576</u> | <u>\$ 16,143</u> | <u>\$ 23,627</u> | <u>\$ 319,222</u> | <u>\$ (404,738)</u> | <u>\$ 171,194</u> | <u>\$ 14,276</u> | <u>\$ 56,314</u> | <u>\$ 2,128,646</u> |
| LIABILITIES | | | | | | | | | | |
| Accounts payable | - | - | - | - | \$ 119,743 | \$ 20,023 | - | - | \$ 4,796 | \$ 342,424 |
| Accrued payroll | - | - | - | - | 53,169 | 1,102 | - | - | - | 67,922 |
| Unearned revenue | - | - | - | - | - | - | - | - | - | 12,402 |
| Due to other funds | \$ 123,685 | - | - | - | 69,435 | - | - | - | - | 545,183 |
| Other | - | - | - | - | 15,811 | - | - | - | - | 15,811 |
| Total liabilities | <u>123,685</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>258,158</u> | <u>21,125</u> | <u>-</u> | <u>-</u> | <u>4,796</u> | <u>983,742</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | |
| Unavailable revenue - Property taxes | - | - | - | - | - | 25,587 | - | - | - | 25,587 |
| FUND BALANCE | | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | - | 52,983 |
| Restricted | - | \$ 34,576 | \$ 16,143 | \$ 23,627 | 61,064 | - | \$ 171,194 | \$ 14,276 | \$ 51,518 | 1,517,784 |
| Unassigned | - | - | - | - | - | (451,450) | - | - | - | (451,450) |
| Total fund balance | <u>-</u> | <u>34,576</u> | <u>16,143</u> | <u>23,627</u> | <u>61,064</u> | <u>(451,450)</u> | <u>171,194</u> | <u>14,276</u> | <u>51,518</u> | <u>1,119,317</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u>\$ 123,685</u> | <u>\$ 34,576</u> | <u>\$ 16,143</u> | <u>\$ 23,627</u> | <u>\$ 319,222</u> | <u>\$ (404,738)</u> | <u>\$ 171,194</u> | <u>\$ 14,276</u> | <u>\$ 56,314</u> | <u>\$ 2,128,646</u> |

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | Statesboro/ Bulloch County Airport Fund | BCCI Inmate Fund | BCCI Designated Special Projects Fund | Drug Education Fund | Jail Inmate Phone Fund | E-911 Fund | Grants Fund | Greenspace Fund | Hotel/ Motel Tax Fund | Urban Fire District Fund |
|---|--|------------------------|---|---------------------------|---------------------------------|-------------------|----------------|--------------------|-----------------------------|--------------------------------|
| REVENUES | | | | | | | | | | |
| Taxes | - | - | - | - | - | - | - | - | \$ 4,644 | \$ 864,902 |
| Charges for services | \$ 539,460 | - | - | - | \$ 122,655 | \$ 1,362,790 | - | - | - | - |
| Fees, fines and forfeitures | - | - | - | \$ 89,170 | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | \$ 31,079 | - | - | - |
| Interest | - | \$ 9 | - | - | - | - | - | - | - | - |
| Other | 95,066 | 30,440 | \$ 30,934 | - | - | - | - | - | - | - |
| Total revenues | <u>634,526</u> | <u>30,449</u> | <u>30,934</u> | <u>89,170</u> | <u>122,655</u> | <u>1,362,790</u> | <u>31,079</u> | <u>-</u> | <u>4,644</u> | <u>864,902</u> |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Airport | 641,454 | - | - | - | - | - | - | - | - | - |
| Judicial | - | - | - | - | - | - | 20,228 | - | - | - |
| Public safety | - | 30,515 | 17,740 | 31,410 | 72,517 | 1,210,609 | 10,851 | - | - | 874,002 |
| Public works | - | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - | - | - |
| Housing and development | - | - | - | - | - | - | - | - | 4,644 | - |
| Capital outlay: | | | | | | | | | | |
| Public safety | - | - | 4,500 | 1,157 | 48,130 | 30,445 | - | - | - | 36,000 |
| Recreation | - | - | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | <u>641,454</u> | <u>30,515</u> | <u>22,240</u> | <u>32,567</u> | <u>120,647</u> | <u>1,241,054</u> | <u>31,079</u> | <u>-</u> | <u>4,644</u> | <u>910,002</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(6,928)</u> | <u>(66)</u> | <u>8,694</u> | <u>56,603</u> | <u>2,008</u> | <u>121,736</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(45,100)</u> |
| OTHER FINANCING SOURCES | | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - | - |
| Transfers out | (1,900) | - | (5,480) | (2,000) | - | (30,780) | - | - | - | - |
| Total other financing sources (uses) | <u>(1,900)</u> | <u>-</u> | <u>(5,480)</u> | <u>(2,000)</u> | <u>-</u> | <u>(30,780)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>(8,828)</u> | <u>(66)</u> | <u>3,214</u> | <u>54,603</u> | <u>2,008</u> | <u>90,956</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(45,100)</u> |
| FUND BALANCES, BEGINNING OF YEAR | <u>325,446</u> | <u>16,170</u> | <u>43,289</u> | <u>76,414</u> | <u>7,243</u> | <u>373,132</u> | <u>-</u> | <u>\$ 19,888</u> | <u>-</u> | <u>240,000</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 316,618</u> | <u>\$ 16,104</u> | <u>\$ 46,503</u> | <u>\$ 131,017</u> | <u>\$ 9,251</u> | <u>\$ 464,088</u> | <u>\$ -</u> | <u>\$ 19,888</u> | <u>\$ -</u> | <u>\$ 194,900</u> |

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | 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 | - | - | - | - | - | \$ 583,154 | - | - | \$ 68,867 | \$ 1,521,567 |
| Charges for services | - | \$ 86,942 | - | - | \$ 1,515,730 | 9,018 | - | \$ 5,248 | - | 3,641,843 |
| Fees, fines and forfeitures | \$ 108,952 | - | \$ 1,640 | - | - | - | \$ 206,149 | - | - | 405,911 |
| Intergovernmental | - | - | - | \$ 77,000 | 28,160 | - | - | - | - | 136,239 |
| Interest | - | - | - | - | - | - | - | - | - | 9 |
| Other | - | - | - | 7,230 | 84,033 | - | - | - | - | 247,703 |
| Total revenues | 108,952 | 86,942 | 1,640 | 84,230 | 1,627,923 | 592,172 | 206,149 | 5,248 | 68,867 | 5,953,272 |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Airport | - | - | - | - | - | - | - | - | - | 641,454 |
| Judicial | - | - | 2,770 | - | - | - | - | - | - | 22,998 |
| Public safety | 108,952 | 117,074 | - | - | - | 449,432 | 6,104 | 7,001 | - | 2,936,207 |
| Public works | - | - | - | - | - | - | - | - | 66,930 | 66,930 |
| Recreation | - | - | - | - | 4,042,245 | - | - | - | - | 4,042,245 |
| Sanitation | - | - | - | 93,514 | - | - | - | - | - | 93,514 |
| Housing and development | - | - | - | - | - | - | - | - | - | 4,644 |
| Capital outlay: | | | | | | | | | | |
| Public safety | - | 55,264 | - | - | - | - | 31,223 | - | - | 206,719 |
| Recreation | - | - | - | - | 6,287 | - | - | - | - | 6,287 |
| Debt service: | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | 108,952 | 172,338 | 2,770 | 93,514 | 4,048,532 | 449,432 | 37,327 | 7,001 | 66,930 | 8,020,998 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | (85,396) | (1,130) | (9,284) | (2,420,609) | 142,740 | 168,822 | (1,753) | 1,937 | (2,067,726) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers in | - | - | - | - | 2,421,068 | - | - | - | - | 2,421,068 |
| Transfers out | - | - | (200) | - | - | - | - | - | - | (40,360) |
| Total other financing sources (uses) | - | - | (200) | - | 2,421,068 | - | - | - | - | 2,380,708 |
| NET CHANGE IN FUND BALANCES | - | (85,396) | (1,330) | (9,284) | 459 | 142,740 | 168,822 | (1,753) | 1,937 | 312,982 |
| FUND BALANCES, BEGINNING OF YEAR | - | 119,972 | 17,473 | 32,911 | 60,605 | (594,190) | 2,372 | 16,029 | 49,581 | 806,335 |
| FUND BALANCES, END OF YEAR | \$ - | \$ 34,576 | \$ 16,143 | \$ 23,627 | \$ 61,064 | \$ (451,450) | \$ 171,194 | \$ 14,276 | \$ 51,518 | \$ 1,119,317 |

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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------------|--------------------------|------------------------------------|
| REVENUES | | | |
| Charges for services | \$ 514,800 | \$ 539,460 | \$ 24,660 |
| Intergovernmental | 2,400 | - | (2,400) |
| Other | 88,000 | 95,066 | 7,066 |
| Total revenues | <u>605,200</u> | <u>634,526</u> | <u>29,326</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Airport | <u>583,900</u> | <u>641,454</u> | <u>(57,554)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 21,300 | (6,928) | (28,228) |
| OTHER FINANCING USES | | | |
| Transfers out | <u>-</u> | <u>(1,900)</u> | <u>(1,900)</u> |
| NET CHANGE IN FUND BALANCES | 21,300 | (8,828) | (30,128) |
| FUND BALANCES, BEGINNING OF YEAR | <u>325,446</u> | <u>325,446</u> | <u>-</u> |
| FUND BALANCES, END OF YEAR | <u><u>\$ 346,746</u></u> | <u><u>\$ 316,618</u></u> | <u><u>\$ (30,128)</u></u> |

BULLOCH COUNTY, GEORGIA
BCCI INMATE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|--------------------------------------|-------------------------|---|
| REVENUES | | | |
| Vending commissions/other | \$ 20,000 | \$ 30,440 | \$ 10,440 |
| Interest | - | 9 | 9 |
| | <u>20,000</u> | <u>30,449</u> | <u>10,449</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | <u>20,000</u> | <u>30,515</u> | <u>(10,515)</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | - | (66) | (66) |
| FUND BALANCES, BEGINNING OF YEAR | <u>16,170</u> | <u>16,170</u> | <u>-</u> |
| FUND BALANCES, END OF YEAR | <u><u>16,170</u></u> | <u><u>\$ 16,104</u></u> | <u><u>\$ (66)</u></u> |

BULLOCH COUNTY, GEORGIA
BCCI DESIGNATED SPECIAL PROJECTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------------|------------------|------------------------------------|
| REVENUES | | | |
| Telephone commissions | \$ 26,000 | \$ 30,934 | \$ 4,934 |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | 22,000 | 17,740 | 4,260 |
| Capital outlay: | | | |
| Public safety | 2,600 | 4,500 | (1,900) |
| Total expenditures | <u>24,600</u> | <u>22,240</u> | <u>2,360</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 1,400 | 8,694 | 7,294 |
| OTHER FINANCING USES | | | |
| Transfers out | <u>(1,400)</u> | <u>(5,480)</u> | <u>(4,080)</u> |
| NET CHANGE IN FUND BALANCES | - | 3,214 | 3,214 |
| FUND BALANCES, BEGINNING OF YEAR | <u>43,289</u> | <u>43,289</u> | - |
| FUND BALANCES, END OF YEAR | <u>\$ 43,289</u> | <u>\$ 46,503</u> | <u>\$ 3,214</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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------------|------------|------------------------------------|
| REVENUES | | | |
| Fees, fines and forfeitures | \$ 40,000 | \$ 89,170 | \$ 49,170 |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | 48,600 | 31,410 | 17,190 |
| Capital outlay: | | | |
| Public safety | 1,200 | 1,157 | 43 |
| Total expenditures | 49,800 | 32,567 | 17,233 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (9,800) | 56,603 | 66,403 |
| OTHER FINANCING USES | | | |
| Transfers out | (1,000) | (2,000) | (1,000) |
| NET CHANGE IN FUND BALANCES | (10,800) | 54,603 | 65,403 |
| FUND BALANCES, BEGINNING OF YEAR | 76,414 | 76,414 | - |
| FUND BALANCES, END OF YEAR | \$ 65,614 | \$ 131,017 | \$ 65,403 |

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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------------|------------|------------------------------------|
| REVENUES | | | |
| Telephone commissions | \$ 100,000 | \$ 122,655 | \$ 22,655 |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | 20,000 | 72,517 | (52,517) |
| Capital outlay: | | | |
| Public safety | 80,000 | 48,130 | 31,870 |
| Total expenditures | 100,000 | 120,647 | (20,647) |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | 2,008 | 2,008 |
| FUND BALANCES, BEGINNING OF YEAR | 7,243 | 7,243 | - |
| FUND BALANCES, END OF YEAR | \$ 7,243 | \$ 9,251 | \$ 2,008 |

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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------------|-------------------|------------------------------------|
| REVENUES | | | |
| Charges for services | \$ 1,206,000 | \$ 1,362,790 | \$ 156,790 |
| Interest | - | - | - |
| Total revenues | <u>1,206,000</u> | <u>1,362,790</u> | <u>156,790</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | 1,186,000 | 1,210,609 | (24,609) |
| Capital outlay: | | | |
| Public safety | - | 30,445 | (30,445) |
| Total expenditures | <u>1,186,000</u> | <u>1,241,054</u> | <u>(55,054)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 20,000 | 121,736 | 101,736 |
| OTHER FINANCING USES | | | |
| Transfers out | <u>(20,000)</u> | <u>(30,780)</u> | <u>(10,780)</u> |
| NET CHANGE IN FUND BALANCES | - | 90,956 | 90,956 |
| FUND BALANCES, BEGINNING OF YEAR | <u>373,132</u> | <u>373,132</u> | - |
| FUND BALANCES, END OF YEAR | <u>\$ 373,132</u> | <u>\$ 464,088</u> | <u>\$ 90,956</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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|---|---------------------------------|-----------|------------------------------------|
| REVENUES | | | |
| Intergovernmental | - | \$ 31,079 | \$ 31,079 |
| EXPENDITURES | | | |
| Current: | | | |
| Judicial | - | 20,228 | (20,228) |
| Public safety | - | 10,851 | (10,851) |
| | - | 31,079 | (31,079) |
| 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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|---|---------------------------------|-------------------------|------------------------------------|
| REVENUES | | | |
| Interest | - | - | - |
| EXPENDITURES | | | |
| Current: | | | |
| Recreation | - | - | - |
| 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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------------|----------|------------------------------------|
| REVENUES | | | |
| Taxes | \$ 10,500 | \$ 4,644 | \$ (5,856) |
| EXPENDITURES | | | |
| Current: | | | |
| Housing and development - Tourism | 10,500 | 4,644 | 5,856 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | - | - |
| FUND BALANCES, BEGINNING OF YEAR, | - | - | - |
| FUND BALANCES, END OF YEAR | - | - | - |

BULLOCH COUNTY, GEORGIA
URBAN FIRE DISTRICT FUND SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|--|--------------------------|---|
| REVENUES | | | |
| Taxes | <u>\$ 850,000</u> | <u>\$ 864,902</u> | <u>\$ 14,902</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | 850,000 | 874,002 | (24,002) |
| Capital outlay: | | | |
| Public safety | - | 36,000 | (36,000) |
| Total expenditures | <u>850,000</u> | <u>910,002</u> | <u>(60,002)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | (45,100) | (45,100) |
| FUND BALANCES, BEGINNING OF YEAR | <u>240,000</u> | <u>240,000</u> | - |
| FUND BALANCES, END OF YEAR | <u><u>\$ 240,000</u></u> | <u><u>\$ 194,900</u></u> | <u><u>(45,100)</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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|---------------------------------|------------|------------------------------------|
| REVENUES | | | |
| Fees, fines and forfeitures | \$ 112,300 | \$ 108,952 | \$ (3,348) |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety - Jail | 112,300 | 108,952 | 3,348 |
| NET CHANGE IN FUND BALANCES | - | - | - |
| FUND BALANCES, BEGINNING OF YEAR | - | - | - |
| FUND BALANCES, END OF YEAR | \$ - | \$ - | \$ - |

BULLOCH COUNTY, GEORGIA
JAIL COMMISSARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------------|-----------|------------------------------------|
| REVENUES | | | |
| Charges for services | \$ 100,000 | \$ 86,942 | \$ (13,058) |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | 20,000 | 117,074 | (97,074) |
| Capital outlay: | | | |
| Public safety | 80,000 | 55,264 | 24,736 |
| Total expenditures | 100,000 | 172,338 | (72,338) |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | (85,396) | (85,396) |
| FUND BALANCES, BEGINNING OF YEAR | 119,972 | 119,972 | - |
| FUND BALANCES, END OF YEAR | \$ 119,972 | \$ 34,576 | \$ (85,396) |

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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------------|-------------------------|------------------------------------|
| REVENUES | | | |
| Fees, fines and forfeitures | \$ 1,500 | \$ 1,640 | \$ 140 |
| EXPENDITURES | | | |
| Current: | | | |
| Judicial | <u>1,500</u> | <u>2,770</u> | <u>(1,270)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | (1,130) | (1,130) |
| OTHER FINANCING USES | | | |
| Transfers out | <u>-</u> | <u>(200)</u> | <u>(200)</u> |
| NET CHANGE IN FUND BALANCES | - | (1,330) | (1,130) |
| FUND BALANCES, BEGINNING OF YEAR | <u>17,473</u> | <u>17,473</u> | <u>-</u> |
| FUND BALANCES, END OF YEAR | <u><u>\$ 17,473</u></u> | <u><u>\$ 16,143</u></u> | <u><u>\$ (1,130)</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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------------|------------------|------------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 44,000 | \$ 77,000 | \$ 33,000 |
| Other | 46,220 | 7,230 | (38,990) |
| Total revenues | <u>90,220</u> | <u>84,230</u> | <u>(5,990)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Sanitation | <u>88,320</u> | <u>93,514</u> | <u>(5,194)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 1,900 | (9,284) | (11,184) |
| OTHER FINANCING USES | | | |
| Transfers out | <u>(1,900)</u> | <u>-</u> | <u>1,900</u> |
| NET CHANGE IN FUND BALANCES | - | (9,284) | (9,284) |
| FUND BALANCES, BEGINNING OF YEAR | <u>32,911</u> | <u>32,911</u> | <u>-</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 32,911</u> | <u>\$ 23,627</u> | <u>\$ (9,284)</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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------------|------------------|------------------------------------|
| REVENUES | | | |
| Charges for services | \$ 1,551,740 | \$ 1,515,730 | \$ (36,010) |
| Intergovernmental | 26,000 | 28,160 | 2,160 |
| Interest | 2,000 | - | (2,000) |
| Other | 73,600 | 84,033 | 10,433 |
| Total revenues | <u>1,653,340</u> | <u>1,627,923</u> | <u>(25,417)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Recreation | 4,048,264 | 4,042,245 | 6,019 |
| Capital Outlay: | | | |
| Recreation | 82,500 | 6,287 | 76,213 |
| Total expenditures | <u>4,130,764</u> | <u>4,048,532</u> | <u>82,232</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (2,477,424) | (2,420,609) | 56,815 |
| OTHER FINANCING SOURCES | | | |
| Transfers in | <u>2,463,760</u> | <u>2,421,068</u> | <u>(42,692)</u> |
| NET CHANGE IN FUND BALANCES | (13,664) | 459 | 14,123 |
| FUND BALANCES, BEGINNING OF YEAR | <u>60,605</u> | <u>60,605</u> | <u>-</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 46,941</u> | <u>\$ 61,064</u> | <u>\$ 14,123</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, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------------|----------------------------|------------------------------------|
| REVENUES | | | |
| Taxes | \$ 560,000 | \$ 583,154 | \$ 23,154 |
| Charges for services | 500 | 9,018 | 8,518 |
| Other | 1,500 | - | (1,500) |
| Total revenues | <u>562,000</u> | <u>592,172</u> | <u>30,172</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | <u>556,950</u> | <u>449,432</u> | <u>107,518</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 5,050 | 142,740 | 137,690 |
| FUND BALANCES, BEGINNING OF YEAR | <u>(594,190)</u> | <u>(594,190)</u> | <u>-</u> |
| FUND BALANCES, END OF YEAR | <u><u>\$ (589,140)</u></u> | <u><u>\$ (451,450)</u></u> | <u><u>\$ 137,690</u></u> |

BULLOCH COUNTY, GEORGIA
SHERIFF'S CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------------|-------------------|------------------------------------|
| REVENUES | | | |
| Fees, fines and forfeitures | \$ 20,000 | \$ 206,149 | \$ 186,149 |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | - | 6,104 | (6,104) |
| Capital outlay: | | | |
| Public safety | 20,000 | 31,223 | (11,223) |
| Total expenditures | <u>20,000</u> | <u>37,327</u> | <u>(17,327)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | 168,822 | 168,822 |
| FUND BALANCES, BEGINNING OF YEAR | <u>2,372</u> | <u>2,372</u> | <u>-</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 2,372</u> | <u>\$ 171,194</u> | <u>\$ 168,822</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, 2014

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|--|-------------------------|---|
| REVENUES | | | |
| Charges for services | \$ 10,000 | \$ 5,248 | \$ (4,752) |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | <u>10,000</u> | <u>7,001</u> | <u>2,999</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | - | (1,753) | (1,753) |
| FUND BALANCES, BEGINNING OF YEAR | <u>16,029</u> | <u>16,029</u> | - |
| FUND BALANCES, END OF YEAR | <u><u>\$ 16,029</u></u> | <u><u>\$ 14,276</u></u> | <u><u>\$ (1,753)</u></u> |

BULLOCH COUNTY, GEORGIA
STREETLIGHT TAX DISTRICTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------------|-------------------------|------------------------------------|
| REVENUES | | | |
| Taxes | \$ 63,515 | \$ 68,867 | \$ 5,352 |
| EXPENDITURES | | | |
| Current: | | | |
| Public works - Street lighting | <u>63,515</u> | <u>66,930</u> | <u>(3,415)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | 1,937 | 1,937 |
| FUND BALANCES, BEGINNING OF YEAR | <u>49,581</u> | <u>49,581</u> | - |
| FUND BALANCES, END OF YEAR | <u><u>\$ 49,581</u></u> | <u><u>\$ 51,518</u></u> | <u><u>\$ 1,937</u></u> |

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014

| | Employee Health Insurance Fund | Correctional Food Service Fund | Total |
|--------------------------|-----------------------------------|-----------------------------------|------------------|
| ASSETS | | | |
| Cash | \$ 1,780,478 | \$ 40,124 | \$ 1,820,602 |
| Accounts receivable | 134,813 | - | 134,813 |
| Total Assets | 1,915,291 | 40,124 | 1,955,415 |
| LIABILITIES | | | |
| Accounts payable | - | 40,124 | 40,124 |
| Claims payable | 429,646 | - | 429,646 |
| Due to other funds | 235,223 | - | 235,223 |
| Total Liabilities | 664,869 | 40,124 | 704,993 |
| NET POSITION | | | |
| Unrestricted | \$ 1,250,422 | - | \$ 1,250,422 |

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR YEAR ENDED JUNE 30, 2014

| | Employee Health Insurance Fund | Correctional Food Service Fund | Total |
|--|-----------------------------------|-----------------------------------|---------------------|
| OPERATING REVENUES | | | |
| Charges for services | - | \$ 764,354 | \$ 764,354 |
| Premiums | \$ 4,304,970 | - | 4,304,970 |
| Total Operating Revenues | 4,304,970 | 764,354 | 5,069,324 |
| OPERATING EXPENSES | | | |
| Salaries and benefits | - | 114,283 | 114,283 |
| Materials and supplies | - | 794,744 | 794,744 |
| Purchased/contracted services | 598,749 | 8,289 | 607,038 |
| Claims | 3,495,324 | - | 3,495,324 |
| Total Operating Expenses | 4,094,073 | 917,316 | 5,011,389 |
| OPERATING INCOME (LOSS) | 210,897 | (152,962) | 57,935 |
| TRANSFERS IN (OUT) | (127,350) | 152,962 | 25,612 |
| CHANGE IN NET POSITION | 83,547 | - | 83,547 |
| NET POSITION, BEGINNING OF YEAR | 1,166,875 | - | 1,166,875 |
| NET POSITION, END OF YEAR | \$ 1,250,422 | - | \$ 1,250,422 |

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | Employee Health Insurance Fund | Correctional Food Service Fund | Total |
|--|-----------------------------------|-----------------------------------|---------------------|
| Cash Flows from Operating Activities | | | |
| Cash received from internal charges | \$ 4,304,970 | \$ 764,354 | \$ 5,069,324 |
| Cash payments to employees for salaries and benefits | - | (116,185) | (116,185) |
| Cash payments for supplies and services | (446,222) | (829,676) | (1,275,898) |
| Cash payments for claims | (3,738,913) | - | (3,738,913) |
| Net Cash Provided (Used) by Operating Activities | <u>119,835</u> | <u>(181,507)</u> | <u>(61,672)</u> |
| Cash Flows from Noncapital Financing Activities | | | |
| Transfers in (out) | <u>(127,350)</u> | <u>152,962</u> | <u>25,612</u> |
| Cash Flows From Investing Activities | | | |
| Investment Earnings | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Decrease in Cash and Cash Equivalents | (7,515) | (28,545) | (36,060) |
| Cash and Cash Equivalents, July 1, 2013 | <u>1,787,993</u> | <u>68,669</u> | <u>1,856,662</u> |
| Cash and Cash Equivalents, June 30, 2014 | <u>\$ 1,780,478</u> | <u>\$ 40,124</u> | <u>\$ 1,820,602</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities | | | |
| Operating Income (Loss) | \$ 210,897 | \$ (152,962) | \$ 57,935 |
| Adjustments: | | | |
| (Increase) decrease in operating assets: | | | |
| Accounts receivable | (121,828) | - | (121,828) |
| Prepaid items | 17,940 | - | 17,940 |
| Increase (decrease) in operating liabilities: | | | |
| Accounts payable | - | (26,643) | (26,643) |
| Due to other funds | 134,587 | - | 134,587 |
| Claims payable | (121,761) | - | (121,761) |
| Accrued payroll | - | (1,902) | (1,902) |
| Net Cash Provided (Used) By Operating Activities | <u>\$ 119,835</u> | <u>\$ (181,507)</u> | <u>\$ (61,672)</u> |

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

| | <u>Tax Commissioner</u> | <u>Probate Court</u> | <u>Clerk of Courts</u> | <u>Magistrate Court</u> | <u>Sheriff</u> | <u>Emergency Medical Service</u> | <u>Bulloch County Correctional Institute</u> | <u>Probation</u> | <u>Total</u> |
|---------------------------------------|-----------------------------|--------------------------|----------------------------|-----------------------------|-------------------|--|--|------------------|-------------------|
| ASSETS | | | | | | | | | |
| Cash | <u>\$ 37,476</u> | <u>\$ 12,110</u> | <u>\$ 363,921</u> | <u>\$ 5,109</u> | <u>\$ 341,775</u> | <u>\$ -</u> | <u>\$ 15,049</u> | <u>\$ 83,767</u> | <u>\$ 859,207</u> |
| LIABILITIES | | | | | | | | | |
| Due to other entities and individuals | <u>\$ 37,476</u> | <u>\$ 12,110</u> | <u>\$ 363,921</u> | <u>\$ 5,109</u> | <u>\$ 341,775</u> | <u>\$ -</u> | <u>\$ 15,049</u> | <u>\$ 83,767</u> | <u>\$ 859,207</u> |

BULLOCH COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | Balance July 1, 2013 | Additions | Deductions | Balance June 30, 2014 |
|--|-------------------------|---------------|---------------|--------------------------|
| Tax Commissioner | | | | |
| Assets | | | | |
| Cash | \$ 34,476 | \$ 46,885,756 | \$ 46,882,756 | \$ 37,476 |
| Liabilities | | | | |
| Due to other entities and individuals | \$ 34,476 | \$ 46,885,756 | \$ 46,882,756 | \$ 37,476 |
| Probate Court | | | | |
| Assets | | | | |
| Cash | \$ 12,242 | \$ 224,665 | \$ 224,797 | \$ 12,110 |
| Liabilities | | | | |
| Due to other entities and individuals | \$ 12,242 | \$ 224,665 | \$ 224,797 | \$ 12,110 |
| Clerk of Courts | | | | |
| Assets | | | | |
| Cash | \$ 527,375 | \$ 3,293,831 | \$ 3,457,285 | \$ 363,921 |
| Liabilities | | | | |
| Due to other entities and individuals | \$ 527,375 | \$ 3,293,831 | \$ 3,457,285 | \$ 363,921 |
| Magistrate Court | | | | |
| Assets | | | | |
| Cash | \$ 4,539 | \$ 998,423 | \$ 997,853 | \$ 5,109 |
| Liabilities | | | | |
| Due to other entities and individuals | \$ 4,539 | \$ 998,423 | \$ 997,853 | \$ 5,109 |
| Sheriff | | | | |
| Assets | | | | |
| Cash | \$ 309,213 | \$ 1,846,490 | \$ 1,813,928 | \$ 341,775 |
| Liabilities | | | | |
| Due to other entities and individuals | \$ 309,213 | \$ 1,846,490 | \$ 1,813,928 | \$ 341,775 |
| Emergency Medical Service | | | | |
| Assets | | | | |
| Cash | \$ - | \$ 1,740,163 | \$ 1,740,163 | \$ - |
| Liabilities | | | | |
| Due to other entities and individuals | \$ - | \$ 1,740,163 | \$ 1,740,163 | \$ - |
| Bulloch County Correctional Institute | | | | |
| Assets | | | | |
| Cash | \$ 20,773 | \$ 102,277 | \$ 108,001 | \$ 15,049 |
| Liabilities | | | | |
| Due to other entities and individuals | \$ 20,773 | \$ 102,277 | \$ 108,001 | \$ 15,049 |
| Probation | | | | |
| Assets | | | | |
| Cash | \$ 94,964 | \$ 1,172,930 | \$ 1,184,127 | \$ 83,767 |
| Liabilities | | | | |
| Due to other entities and individuals | \$ 94,964 | \$ 1,172,930 | \$ 1,184,127 | \$ 83,767 |
| Total Agency Funds | | | | |
| Assets | | | | |
| Cash | \$ 1,003,582 | \$ 56,264,535 | \$ 56,408,910 | \$ 859,207 |
| Liabilities | | | | |
| Due to other entities and individuals | \$ 1,003,582 | \$ 56,264,535 | \$ 56,408,910 | \$ 859,207 |

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2014

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 | 89,389 | \$ 370,237 | 459,626 | 92% |
| 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>\$ 37,537,175</u> | <u>\$ 370,237</u> | <u>\$ 37,907,412</u> | <u>99.2%</u> |

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2014

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 | \$ 7,186,324 | \$ 7,186,324 | - | \$ 7,186,324 | 100% |
| Solid waste - Air rights - Joint | 1,510,000 | 2,300,823 | 2,300,823 | - | 2,300,823 | 100% |
| Solid waste - Post closure - Joint | 610,000 | 200,000 | 200,000 | - | 200,000 | 100% |
| Communications system - Joint | 1,500,000 | 1,538,703 | 1,538,703 | - | 1,538,703 | 100% |
| Solid waste - recycling - County | 640,000 | 607,353 | 578,477 | - | 578,477 | 95% |
| Public safety - Sheriff | 1,000,000 | 1,089,060 | 1,089,060 | - | 1,089,060 | 100% |
| Public safety - Rural Fire | 900,000 | 1,171,550 | 1,022,833 | - | 1,022,833 | 87% |
| Public safety - EMS | 600,000 | 822,773 | 822,773 | - | 822,773 | 100% |
| Public safety - Animal control | - | 9,338 | 9,338 | - | 9,338 | 100% |
| Airport - County | 750,000 | 711,445 | 628,658 | - | 628,658 | 88% |
| Agribusiness Center - County | 6,100,000 | 4,437,186 | 500,830 | \$ 22,176 | 523,006 | 12% |
| Parks and recreation - County | 7,000,000 | 7,100,215 | 6,727,295 | 163,843 | 6,891,138 | 97% |
| Industrial park - County | 5,500,000 | 5,301,277 | 5,179,433 | 121,845 | 5,301,278 | 100% |
| Water/sewer system - County | 100,000 | 29,780 | 29,780 | - | 29,780 | 100% |
| Community facilities - County | 3,143,000 | 3,955,930 | 2,937,488 | - | 2,937,488 | 74% |
| BCCI vehicle - County | - | 13,958 | 13,958 | - | 13,958 | 100% |
| Arts center - Statesboro | 1,360,000 | 1,446,932 | 1,446,932 | - | 1,446,932 | 100% |
| Municipal building/Police Station - Statesboro | 2,140,000 | 3,362,525 | 3,362,525 | - | 3,362,525 | 100% |
| Public safety vehicles - Statesboro | 500,000 | 437,184 | 263,674 | - | 263,674 | 60% |
| Water/sewer system - Statesboro | 5,000,000 | 4,372,334 | 2,574,708 | - | 2,574,708 | 59% |
| City streets, etc. - Statesboro | 5,000,000 | 4,372,334 | 4,356,069 | - | 4,356,069 | 100% |
| Municipal building - Brooklet | 350,000 | 352,035 | 352,035 | - | 352,035 | 100% |
| Cultural facility - Brooklet | 75,000 | - | - | - | - | - |
| Water system - Brooklet | 230,000 | 140,109 | 139,567 | - | 139,567 | 100% |
| City streets, etc. - Brooklet | 205,000 | 260,070 | 260,070 | - | 260,070 | 100% |
| Solid waste - Portal | 50,000 | 17,951 | 17,951 | - | 17,951 | 100% |
| Cultural facility - Portal | 50,000 | 17,635 | 17,635 | - | 17,635 | 100% |
| Water system - Portal | 200,000 | 149,262 | 149,262 | - | 149,262 | 100% |
| Sewer system - Portal | - | 46,531 | 46,531 | - | 46,531 | 100% |
| City streets, etc - Portal | 160,000 | 116,667 | 116,667 | - | 116,667 | 100% |
| Centennial Park - Portal | - | 54,201 | 54,201 | - | 54,201 | 100% |
| Water system - Register | 27,000 | 9,468 | 3,450 | - | 3,450 | 36% |
| Public safety facility - Register | 15,000 | 23,330 | 23,330 | - | 23,330 | 100% |
| Recreational areas - Register | 15,000 | 19,539 | 19,539 | - | 19,539 | 100% |
| Cultural facility - Register | 45,000 | 37,926 | 37,926 | - | 37,926 | 100% |
| City streets, etc. - Register | 25,000 | 20,808 | 20,808 | - | 20,808 | 100% |
| | <u>\$ 49,800,000</u> | <u>\$ 51,732,556</u> | <u>\$ 44,028,653</u> | <u>\$ 307,864</u> | <u>\$ 44,336,517</u> | <u>86%</u> |

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2014

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 | 6,611,113 | \$ 63,155 | 6,674,268 | 95% |
| Economic development - Industrial park | 2,875,500 | 2,875,500 | 2,534,266 | 5,250 | 2,539,516 | 88% |
| Cemetery expansion - Statesboro | 900,000 | 900,000 | 900,000 | - | 900,000 | 100% |
| Road improvements | 12,500,000 | 12,500,000 | 4,090,416 | 2,328,876 | 6,419,292 | 51% |
| Community facilities - County | 5,138,500 | 5,138,500 | 2,683,390 | 219,275 | 2,902,665 | 56% |
| Public safety facilities and equipment | 3,655,000 | 3,655,000 | 1,481,131 | 1,289,891 | 2,771,022 | 76% |
| Recreational facilities and equipment | 2,874,700 | 2,874,700 | 1,205,193 | 439,329 | 1,644,522 | 57% |
| Solid waste handling facilities and equipment - County | 1,200,000 | 1,200,000 | 562,052 | 388,889 | 950,941 | 79% |
| Airport facilities and equipment | 700,000 | 700,000 | 422,609 | 1,992 | 424,601 | 61% |
| Storm water projects | 222,000 | 222,000 | 50,000 | 10,057 | 60,057 | 27% |
| Voting equipment | 75,000 | 75,000 | - | 8,586 | 8,586 | 11% |
| Greenspace preservation | 222,000 | 222,000 | - | - | - | 0% |
| City of Statesboro | 20,767,500 | 20,767,500 | 15,345,054 | 1,249,520 | 16,594,574 | 80% |
| 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>48,762,490</u> | <u>6,004,820</u> | <u>54,767,310</u> | <u>77%</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 | \$ 10,630,680 |
| Transfers out to enterprise funds | 8,768 |
| Less: | |
| Intergovernmental revenue | (1,931,124) |
| Insurance recoveries | (102,904) |
| Sale of capital assets | (248,085) |
| Transfers in from sales tax bonds construction fund | (186,722) |
| Proceeds from capital leases | (2,165,793) |
| Total current year expenditures per above | <u>\$ 6,004,820</u> |

BULLOCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2014

SPLOST 13 Fund

| Project | Original Estimated Cost | Current Estimated Cost | Expenditures | | Total | Estimated Percentage of Completion |
|---|-------------------------------|------------------------------|----------------|---------------------|---------------------|---|
| | | | Prior Years | Current Year | | |
| Road improvements - County | \$ 14,792,000 | \$ 14,792,000 | - | - | - | 0% |
| Solid waste - Air rights - Joint | 10,775,000 | 10,775,000 | - | \$ 1,197,222 | \$ 1,197,222 | 11% |
| Elections equipment | 150,000 | 150,000 | - | - | - | 0% |
| Solid waste facilities and equipment | 3,100,000 | 3,100,000 | - | - | - | 0% |
| Public safety facilities and equipment | 5,900,000 | 5,900,000 | - | - | - | 0% |
| Capital improvements to existing facilities | 1,995,155 | 1,995,155 | - | - | - | 0% |
| Airport facilities and equipment | 780,000 | 780,000 | - | - | - | 0% |
| Greenspace preservation | 150,000 | 150,000 | - | - | - | 0% |
| Recreational facilities and equipment | 4,600,000 | 4,600,000 | - | - | - | 0% |
| Economic development - Industrial park | 9,000,000 | 9,000,000 | - | 19,301 | 19,301 | 0% |
| City of Statesboro | 28,915,844 | 28,915,844 | - | 1,261,834 | 1,261,834 | 4% |
| Town of Brooklet | 1,419,468 | 1,419,468 | - | 1,135,574 | 1,135,574 | 80% |
| City of Portal | 458,083 | 520,066 | - | 520,066 | 520,066 | 100% |
| Town of Register | 177,166 | 177,166 | - | 147,301 | 147,301 | 83% |
| | <u>\$ 82,212,716</u> | <u>\$ 82,274,699</u> | <u>-</u> | <u>\$ 4,281,298</u> | <u>\$ 4,281,298</u> | <u>5%</u> |

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Bulloch County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bulloch County, Georgia, as of and for the year ended June 30, 2014, which collectively comprise Bulloch County's basic financial statements and have issued our report thereon dated February 6, 2015. Our report includes a reference to other auditors who audited the financial statements of the Bulloch County Board of Health and the Development Authority of Bulloch County, as described in our report on Bulloch County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and 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 2014-5 and 2014-6 in the accompanying schedule of findings 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 2014-1 through 2014-4 and 2014-7 in the accompanying schedule of findings to be significant deficiencies.

Compliance and Other Matters

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

Bulloch County, Georgia's Response to Findings

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

Purpose of this Report

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

Thigpen, Lanier, Westerfill & Deal

Statesboro, Georgia
February 6, 2015

BULLOCH COUNTY, GEORGIA
SCHEDULE OF FINDINGS

2014-1 Inadequate financial reporting process for recording activity in the Bulloch County Correctional Institute and Probate Court

Condition: The Bulloch County Correctional Institute and Probate Court have several accounts for which a trial balance summarizing the annual activity and year-end balances are not being prepared for the annual audit.

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 should revise their year-end closing procedures to include preparation of year-end trial balances. Trial balances may be prepared using information obtained from their current accounting systems, or transactions may be summarized utilizing other accounting software such as QuickBooks. Year-end trial balances should be provided to the CFO and external auditors to assist in preparation of the County's year-end financial statements.

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

2014-2 Timely billing of intergovernmental receivables

Condition: During our audit, we noted amounts due from the City of Statesboro at June 30, 2014 that had not been billed to the City in a timely manner.

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 other amounts owed to the County at year-end should be billed in a timely manner and recorded in the year-end financial statements.

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

2014-3 Budget amendments

Condition: As noted in Note 2 to the financial statements, expenditures exceeded appropriations for several departments within the general fund and for ten 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.

Management Response: We concur with this finding and we will implement procedures to better monitor expenditures at the legal level of control. We will request budget amendments during the year as needed.

2014-4 Payroll liability accounts

Condition: During our audit we noted several payroll liability accounts that were not properly stated as of June 30, 2014. We also noted some payroll liabilities from a December, 2013 payroll that were not posted to the County's general ledger.

Criteria: Payroll liability accounts should be reviewed to ensure accuracy and completeness at the close of each period.

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

Effect: Adjusting journal entries were required to properly reflect payroll liabilities in the County's financial statements as of June 30, 2014.

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

Management Response: 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.

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2014-5 Recording of year-end accruals in the financial statements

Condition: The County has inadequate procedures to ensure that all year-end accruals including, but not limited to, receivables, payables, prepaid items and deferred revenue, are included in the financial statements.

Criteria: All necessary accruals should be made prior to providing the year-end trial balance to the auditors.

Cause: The County does not close their books and perform routine reconciliations and reviews of general ledger account balances in a timely fashion on a periodic basis, therefore making it difficult to completely identify all accruals required by generally accepted accounting principles.

Effect: Several material adjusting journal entries were needed in order to properly reflect certain receivables, payables, and prepaid item within the County's financial statements in accordance with generally accepted accounting principles. Furthermore, significant additional time was required to audit the affected transactions and account balances.

Auditor's Recommendation: We recommend a member of the Finance Department staff be responsible for the review and reconciliation of all general ledger accounts on a periodic basis in a timely manner.

Management Response: We concur with this finding and the CFO will implement procedures to ensure the proper recording of year-end accruals in the financial statements.

2014-6 Unposted transactions

Condition: During our audit we noted numerous unposted transactions as of June 30, 2014. We noted an accounts payable check run dated June 30, 2014 for the Recreation Department and Aquatic Center that was included in the year-end bank reconciliation, but not posted to the general ledger as well as 2014 insurance costs and indirect cost allocations that were not posted to the Recreation Department and the Aquatic Center. The budgeted operating transfer from the General Fund to the Parks and Recreation fund to cover that fund's deficit was also not recorded, and a deposit in transit for the Employee Health Insurance Fund from the Parks and Recreation fund was not recorded at year-end. As noted in finding 2014-4, unposted payroll liabilities from a December, 2013 payroll caused the understatement of payroll liability accounts.

Criteria: All general ledger accounts should be reviewed and balance sheet accounts should be reconciled and agreed to year-end statements and subsidiary ledgers to ensure the completeness of transactions in the general ledger.

Cause: As noted in 2014-5, the County does not close their books and perform routine reconciliations and reviews of general ledger account balances in a timely fashion.

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Effect: Several material adjusting journal entries were needed in order to properly reflect all of the County's financial activity throughout the year. Furthermore, significant additional time was required to audit the affected transactions and account balances.

Auditor's Recommendation: We recommend a member of the Finance Department staff be responsible for the review and reconciliation of all general ledger accounts in a timely manner.

Management Response: We concur with this finding and the CFO will implement procedures to ensure the posting of all financial transactions to the County's financial reports.

2014-7 Inadequate Bank Reconciliations

Condition: During our audit we noted that bank reconciliations were in some cases inadequate. Specifically we noted that the bank reconciliation process did not detect checks cut on June 30, 2014 that did not post to the general ledger, and we noted numerous stale items. One individually significant stale item was a duplicate check that should have been voided in the amount of \$44,747 from a prior year.

Criteria: Bank reconciliations should be prepared in a timely manner and agreed to the general ledger balance. All reconciling items should be valid and in most cases current.

Cause: Outstanding items on the bank reconciliations are not being reviewed by the County's Finance Department.

Effect: The County's cash balance was misstated by a significant amount.

Auditor's Recommendation: We recommend that bank reconciliations be prepared no later than the 20th of the following month. Furthermore, reconciling items should be reviewed for accuracy and reasonableness. Items that have been outstanding for a long period of time should be researched.

Management Response: We concur with this finding and we will implement procedures to make our bank reconciliation process more effective.