

BURKE COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Burke 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 Burke County, Georgia, as of and for the year ended September 30, 2015, 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 Burke County Board of Health (Health Department), a discretely presented component unit, which represents 1.3% and .4%, respectively, of the assets and net position of Burke County, Georgia. We did not audit the financial statements of the Burke County Hospital Authority, a discretely presented component unit, which represents 9.4% and 2.9%, respectively, of the assets and net position of Burke 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 Burke County Board of Health (Health Department), a discretely presented component unit, which represents 1.3% and .4%, respectively, of the assets and net position of Burke County, Georgia. We did not audit the financial statements of the Burke County Hospital Authority, a discretely presented component unit, which represents 9.4% and 2.9%, respectively, of the assets and net position of Burke 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 Burke County Board of Health (Health Department) and the Burke County Hospital Authority, is based solely on the report 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate

discretely presented component units, each major fund, and the aggregate remaining fund information of Burke County, Georgia as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Fire Protection Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 19 to the financial statements, in fiscal year 2015, the County adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

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 13 and other required supplementary information, as listed in the table of contents, 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 response 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 Burke County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and schedules 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 schedules 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 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 schedules 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 March 30, 2016, on our consideration of the Burke 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 Burke County, Georgia's internal control over financial reporting and compliance.

Lanier, Westerfield, Cool + Norton

Statesboro, Georgia
March 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

The Management's Discussion and Analysis of the Annual Financial Report of Burke County, Georgia (the Government) provides an overall narrative and analysis of the Government's financial statements for the fiscal years ended September 30, 2015 and 2014. This discussion and analysis is designed to look at the Government's financial performance as a whole. Readers should also review the complete financial statements, with notes, which follow this narrative, for a better understanding of the Government's financial performance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Government's basic financial statements. The 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 Government 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 the Government.

Basic Financial Statements

The first two statements in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the Government's financial status.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual parts of Burke County, Georgia'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 next section of the basic financial statements is the notes, which explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Government's non-major governmental funds and other information which provide additional information for the basic financial statements.

Government-wide Financial Statements

The Government-wide financial statements provide a broad picture of the Government's operations. The statements provide information about the Government's financial position, which assists in assessing the economic condition at the end of the fiscal year. These statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This means the statements take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or disbursed. The government-wide financial statements include the following two statements:

The Statement of Net Position presents information on all of the Government's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Government is improving or deteriorating.

The Statement of Activities presents information showing how the Government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g. uncollected taxes).

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the Government's basic services such as general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development. Property taxes, sales taxes, and state and federal grant funds finance most of these activities. The business-type activities are those services that the Government charges a fee to customers in order to provide. These include solid waste management and transit services. The final category is component units.

The Development Authority of Burke County serves to promote, pursue, and implement economic development in the County. The Burke County Health Department is a public health department. The Burke County Hospital Authority is a public hospital. Separate financial statements have been issued and are available from the Burke County Health Department and the Burke County Hospital Authority. Although legally separate from the Government, the Government appoints a voting majority of the boards for the Development Authority, the Board of Health, and the Hospital Authority.

Fund Financial Statements

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. The Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the Government, reporting the Government's operations in more detail than the government-wide statements. All of the funds of the Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. These fund categories use different accounting approaches and should be interpreted differently.

Governmental Funds

Most of the basic services provided by the Government are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, these funds focus on how assets can readily be converted into cash and the amount of funds 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 focuses on current financial resources. Such information may be useful in evaluating the government's short-term financing requirements. These statements provide a detailed short-term view of the Government's finances that assists in determining whether there will be

adequate financial resources available to meet the Government's current needs. The relationship between government activities in the government-wide financial statements and the governmental funds financial statements is described in a reconciliation that is a part of the fund financial statements.

The Government has three governmental fund types: the General Fund, Special Revenue Funds, and Capital Projects Funds.

Proprietary Funds

The Government has two types of proprietary funds used to account for activities that operate similar to commercial enterprises found in the private sector. Funds that charge fees for services provided to outside customers including other local governments are known as Enterprise Funds. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Funds that charge fees for services provided to departments within the reporting government are known as Internal Service Funds. Proprietary funds use the accrual basis of accounting, thus there is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The Government has two enterprise funds: the Solid Waste Fund and the Transit Fund. The Government has two internal service funds: the Vehicle Maintenance Fund and the Facility Maintenance Fund.

Fiduciary Funds

The Fiduciary Funds are used to account for assets held by the Government as an agent for individuals, private organizations, other governments, and other Burke County departments. The Government is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because the resources are not available to support the Government's operations or programs.

Government-wide Financial Analysis

Management has included comparative data for analysis purposes in the following analysis. Such comparative data may be useful in comparing the current year to the prior year and noting possible trends.

Net Position

Net Position may serve over time as one useful indicator of a government's financial condition. The assets of the Government exceeded liabilities by \$60.6 million and \$56.1 million as of September 30, 2015 and September 30, 2014, respectively.

The largest portion of Burke County's net position, 62.1% in 2015 and 58.2% in 2014, reflects its investment in capital assets such as land, buildings, equipment, and roads. Burke County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

Burke County's Net Position
September 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 35,764,057	\$ 31,677,856	\$ (5,214)	\$ (165,625)	\$ 35,758,843	\$ 31,512,231
Capital assets	35,323,544	30,550,216	2,269,496	2,116,311	37,593,040	32,666,527
Total assets	<u>71,087,601</u>	<u>62,228,072</u>	<u>2,264,282</u>	<u>1,950,686</u>	<u>73,351,883</u>	<u>64,178,758</u>
Deferred Outflows of Resources						
Resources related to pensions	1,131,600	-	42,624	-	1,174,224	-
Long-term liabilities outstanding	8,727,943	3,381,059	2,210,581	1,871,468	10,938,524	5,252,527
Other liabilities	2,923,313	2,755,098	96,325	79,218	3,019,638	2,834,316
Total liabilities	<u>11,651,256</u>	<u>6,136,157</u>	<u>2,306,906</u>	<u>1,950,686</u>	<u>13,958,162</u>	<u>8,086,843</u>
Net position:						
Investment in capital assets	35,323,544	30,550,216	2,269,496	2,116,311	37,593,040	32,666,527
Restricted for:						
Capital projects	14,938,609	12,903,333	-	-	14,938,609	12,903,333
Other purposes	2,856,041	2,489,146	-	-	2,856,041	2,489,146
Unrestricted	7,449,751	10,149,220	(2,269,496)	(2,116,311)	5,180,255	8,032,909
Total net position	<u>\$ 60,567,945</u>	<u>\$ 56,091,915</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,567,945</u>	<u>\$ 56,091,915</u>

The balance of unrestricted net position, 8.5% in 2015 and 14.3% in 2014, may be used to meet the Government's ongoing obligations to citizens and creditors.

The Government's net position increased by \$9,271,027 and \$12,172,348 during the fiscal years ended September 30, 2015 and 2014, respectively.

Governmental activities

Governmental activities increased Burke County's net position by \$9,013,998 in 2015 and \$12,172,348 in 2014 thereby accounting for 97.2% in 2015 and 100% in 2014 of the total change in the net position of Burke County. The key factor for 2015 and 2014 was an increase in the tax digest.

Business-type activities

Business-type activities increased Burke County's net position by \$257,029 in 2015 and had no effect on Burke County's net position in 2014, accounting for 2.8% in 2015 and 0% in 2014 of the total change in the government's net position.

**Burke County's Changes in Net Position
September 30, 2015 and 2014**

	Governmental Activities		Business-type Activities		Total	
	Fiscal Year Ended September 30, 2015	Fiscal Year Ended September 30, 2014	Fiscal Year Ended September 30, 2015	Fiscal Year Ended September 30, 2014	Fiscal Year Ended September 30, 2015	Fiscal Year Ended September 30, 2014
	Revenues:					
Program revenues:						
Fees, Fines, and Charges for services	\$ 3,804,738	\$ 3,621,813	\$ 746,625	\$ 686,382	\$ 4,551,363	\$ 4,308,195
Operating grants and contributions	341,124	1,464,463	62,672	79,612	403,796	1,544,075
Capital grants and contributions	1,377,162	833,853	-	35,204	1,377,162	869,057
General revenues:						
Property taxes	23,662,357	23,567,864	-	-	23,662,357	23,567,864
Other taxes	12,162,542	12,881,649	-	-	12,162,542	12,881,649
Other	139,306	73,427	-	-	139,306	73,427
Total revenues	41,487,229	42,443,069	809,297	801,198	42,296,526	43,244,267
Expenses:						
General government	2,261,814	1,052,323	-	-	2,261,814	1,052,323
Judicial	2,058,348	2,101,038	-	-	2,058,348	2,101,038
Public safety	13,657,743	13,418,298	-	-	13,657,743	13,418,298
Culture and recreation	1,606,750	1,503,463	-	-	1,606,750	1,503,463
Health and welfare	3,294,670	2,045,546	-	-	3,294,670	2,045,546
Public works	7,074,332	7,063,142	-	-	7,074,332	7,063,142
Housing and development	1,165,754	1,844,691	-	-	1,165,754	1,844,691
Interest on long-term debt	-	-	-	-	-	-
Solid Waste	-	-	1,657,347	1,627,778	1,657,347	1,627,778
Transit	-	-	359,140	377,938	359,140	377,938
Total expenses	31,119,411	29,028,501	2,016,487	2,005,716	33,135,898	31,034,217
Change in net position before transfers	10,367,818	13,414,568	(1,207,190)	(1,204,518)	9,160,628	12,210,050
Gain (Loss) on sale of capital assets	34,412	4,090	75,987	(41,792)	110,399	(37,702)
Transfers	(1,388,232)	(1,246,310)	1,388,232	1,246,310	-	-
Increase (Decrease) in net position	9,013,998	12,172,348	257,029	-	9,271,027	12,172,348
Net position, beginning of year	56,091,915	43,919,567	-	-	56,091,915	43,919,567
Prior Period Adjustment for pension	(4,537,968)	-	(257,029)	-	(4,794,997)	-
Net position, beg of year, as restated	51,553,947	43,919,567	(257,029)	-	51,296,918	43,919,567
Net position, end of year	\$ 60,567,945	\$ 56,091,915	\$ -	\$ -	\$ 60,567,945	\$ 56,091,915

Financial Analysis of the Government's Funds

Burke County uses fund accounting to demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Government's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Government's financial requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The combined fund balance

of all the governmental funds is \$32 million in 2015 and \$28.3 million in 2014, of which \$13 million in 2015, or 40.8% and \$12.3 million in 2014, or 43%, was unassigned.

General Fund

The General Fund is the primary operating fund of the Government. At the end of the current fiscal year, unassigned fund balance of the general fund was \$13 million in 2015 and \$12.3 million in 2014, while total fund balance was \$14.2 million in 2015 and \$12.9 million in 2014. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and net transfers out. Unassigned fund balance represents 58.3% in 2015 and 61.0% in 2014 of total General Fund expenditures and net transfers out. Total fund balance represents 63.4% in 2015 and 64.1% in 2014 of that same amount.

The fund balance of Burke County's General Fund increased by \$1,742,658 and \$3,744,755 during the fiscal years ended September 30, 2015 and 2014, respectively. The key factors in these changes were increased property tax revenue coupled with consistent efforts to monitor operating expenditures in 2015 and 2014.

Capital Projects Funds

The Government uses Capital Projects Funds to account for the acquisition and construction of major capital facilities that are not financed by Proprietary Funds. A major fund in the fund financial statements is the Special Purpose Local Option Sales Tax II Fund. The proceeds of the special purpose 1% sales tax (SPLOST 2) are accounted for in this Capital Projects Fund until expenditures are incurred. The fund balance decreased in 2015 by \$1,317,279 and in 2014 by \$380,162. The decrease in fund balance in each year was due to the timing difference of expenditures vs. revenues as the fund has finished collecting sales tax revenue but projects are being finalized. All projects will be finalized during the fiscal year ending September 30, 2016. Another major fund in the fund financial statements is the Special Purpose Local Option Sales Tax III Fund. The proceeds of the special purpose 1% sales tax (SPLOST 3) are accounted for in this Capital Projects Fund until expenditures are incurred. The increase in fund balance of \$1,112,965 in 2015 and \$3,246,145 in 2014 was due to the timing difference of collections versus expenditures as some major projects are on hold until the fund collects enough revenue to proceed with the project.

Special Revenue Funds

The Fire Protection Fund, a major special revenue fund, is used by the Government to account for Fire related expenses as well as Emergency Management Agency expenses for the County. Fund balance increased by \$386,493 in 2015 and \$2,324,271 in 2014 due primarily to increased property tax revenues in 2015 and 2014.

Proprietary Funds

Burke County's proprietary funds provide the same type information found in the government-wide financial statements, but in more detail. Net position of the Solid Waste Fund amounted to \$0 for the fiscal years ended September 30, 2015 and 2014, respectively. Net position in the Burke Transit Fund amounted to \$0 for the fiscal years ended September 30, 2015 and 2014, respectively. The total change in net position in the Solid Waste Fund was \$201,466 in 2015 and \$0 in 2014. The total change in net position in the Burke

Transit Fund was \$55,563 for the fiscal year ended September 30, 2015 and \$0 in 2014, respectively. The Government's internal service funds, Vehicle Maintenance Fund and Facility Maintenance Fund, had a net position of \$841,662 in 2015 and zero in 2014 and total growth in net position of \$433,795 in 2015 and zero during 2014. A prior period adjustment resulted in a restated net position as of October 1, 2014 of \$407,867.

Other factors concerning the finances of these funds have already been addressed in the discussion of Burke County's business-type activities.

General Fund Budgetary Highlights

For 2015, there was no difference between the original budget and the final amended budget. Actual revenues were \$447,569 under budget primarily due to property tax revenues coming in slightly under budget. Actual expenditures were \$3,545,944 under budget (budget basis), primarily the result of appropriations to fund the Burke County Hospital Authority being delayed until June 1, 2015, and no unexpected major expenditures occurring during the fiscal year that would have caused a use of contingency funds.

For 2014, there was an increase in the total budget of \$6,000 in anticipation of expenditures related to planning and zoning. Actual revenues were \$2,005,448 over budget primarily due to increased property tax revenues and intergovernmental revenues related to an ice storm. Actual expenditures were \$2,432,105 under budget (budget basis), primarily the result of maintenance savings at the County Jail and Sheriff's Office, contingency funds that were not committed in the General Administration office, and maintenance costs of public works equipment lower than estimated.

Capital Assets and Debt Administration

Burke County's investment in capital assets for its governmental and business-type activities as of September 30, 2015 and 2014 amounted to \$37,593,040 and \$32,666,527, respectively, (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure (roads), and construction in progress.

Major capital asset transactions during 2015 included the following:

- SPLOST-funded portion of road construction and equipment in the amount of \$1,577,647
- General fund-funded portion of road construction in the amount of \$191,979
- SPLOST-funded purchase of patrol cars of \$31,373
- General fund-funded purchase of patrol cars of \$122,020
- SPLOST-funded purchase of land for future development of a judicial center in the amount of \$1,500,000
- SPLOST-funded purchase of land for future development of an EOC in the amount of \$600,000
- SPLOST-funded recreation improvements in the amount of \$113,958
- Local Maintenance & Improvement Grant-funded portion of road construction in the amount of \$1,332,101
- TSPLOST-funded road resurfacing projects and equipment in the amount of \$549,219

Major capital asset transactions during 2014 included the following:

- SPLOST-funded portion of road construction and equipment in the amount of \$728,302

- General fund-funded portion of road construction in the amount of \$282,086
- SPLOST-funded purchase of patrol cars of \$30,829
- General fund-funded purchase of patrol cars of \$184,974
- General fund-funded purchase of one dump truck and two pickup trucks in the amount of \$128,988
- SPLOST-funded purchase of land for future development of a judicial center in the amount of \$200,000
- SPLOST-funded construction of a new landfill scale house in the amount of \$304,238
- SPLOST and grant-funded airport improvements of \$697,846
- Local Maintenance & Improvement Grant-funded portion of road construction in the amount of \$129,900
- TSPLOST-funded road resurfacing projects in the amount of \$929,755

Additional information on capital assets can be found in Note 6 to the financial statements.

**Burke County's Capital Assets
(net of depreciation)
September 30, 2015 and 2014**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Construction in progress	\$ 799,514	\$ 1,276,997	\$ -	\$ -	\$ 799,514	\$ 1,276,997
Land	3,594,933	1,286,011	1,037,752	1,037,752	4,632,685	2,323,763
Buildings	10,251,882	10,057,093	364,204	363,102	10,616,086	10,420,195
Improvements	-	-	36,410	16,000	36,410	16,000
Equipment	3,739,820	2,509,574	831,130	699,457	4,570,950	3,209,031
Infrastructure	16,937,395	15,420,541	-	-	16,937,395	15,420,541
Total	<u>\$ 35,323,544</u>	<u>\$ 30,550,216</u>	<u>\$ 2,269,496</u>	<u>\$ 2,116,311</u>	<u>\$ 37,593,040</u>	<u>\$ 32,666,527</u>

Long-Term Debt

Burke County had a total of \$10,994,587 in outstanding long-term debt as of September 30, 2015 and \$4,680,867 in outstanding long-term debt as of September 30, 2014. This entire amount is backed by the full faith and credit of the government. Burke County retired no outstanding bonds during the fiscal years ended September 30, 2015 and 2014. There were no bonds issued during 2015 or 2014.

**Burke County's Outstanding Debt
General Obligation Bonds and Other Debt
September 30, 2015 and 2014**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Accrued compensated absences	\$ 538,249	\$ 521,541	\$ 22,384	\$ 21,472	\$ 560,633	\$ 543,013
Net pension obligation	8,243,519	2,285,711	310,510	-	8,554,029	2,285,711
Landfill closure costs	-	-	1,879,925	1,852,143	1,879,925	1,852,143
Total debt	<u>\$ 8,781,768</u>	<u>\$ 2,807,252</u>	<u>\$ 2,212,819</u>	<u>\$ 1,873,615</u>	<u>\$ 10,994,587</u>	<u>\$ 4,680,867</u>

The State of Georgia limits the amount of general obligation debt that a unit of government can issue to 10% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the government is just over \$280 million.

The Hospital Authority applied for a loan during the fiscal year ended September 30, 2014 for up to \$10,000,000 to assist with short-term operating cash. The financial institution issuing the loan required a guaranty by the County to ensure repayment of the debt. The outstanding balance has been included in the financial statements of the Hospital Authority as of May 31, 2015 in the amount of \$7,454,499 plus a line of credit in the amount of \$139,193. Principal payments of \$1,500,000 have been made by the Hospital Authority each of the past two fiscal years after the County has made an appropriation payment to the Authority during the fiscal year for the same amount.

Additional information on Burke County's long-term debt can be found in Note 7 of the notes to the financial statements of this report.

Economic Factors and Next Year's Budget

The 2015 Fiscal Year saw continued improvement in the local economy. The property tax digest grew by \$230 million. Construction at Plant Vogtle for two new nuclear reactors was underway and new housing for workers helped our economy to grow. Other local industries have shown some increase in employment as well. New retail and service businesses are emerging to support the growth in workers and residents associated with the construction at Plant Vogtle as well as the improved economy in the Augusta region.

The Budget for FY 2016 is showing growth in the General Fund due to increases in the value of utilities. The Commissioners have lowered the millage rates for the General Fund and Fire Fund by 1% and 2%, respectively. The Board has also committed to assisting the Burke County Hospital Authority with its operating shortfall as well as its debt service. Funds have also been set aside to make up short falls in sales tax receipts for capital projects such as the new Judicial Center. The County will have sufficient funds to cover the estimated \$13,000,000 construction costs for the Judicial Center project. Construction of the new units at Plant Vogtle has been delayed and it will continue until 2021. We expect revenues to continue to grow for the next five years as construction at Plant Vogtle progresses. After 2021, the utility digest will begin to decline in value.

Requests for Information

This financial report is designed to provide a general overview of Burke County's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the County Administrator, P.O. Box 89, Waynesboro, GA 30830.

BURKE COUNTY, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Health Department	Hospital Authority	Development Authority
ASSETS						
Current Assets:						
Cash	\$ 3,229,170	-	\$ 3,229,170	\$ 424,640	\$ 1,507,907	\$ 1,436,748
Investments	29,176,054	-	29,176,054	420,037	208,575	750,000
Funds held in escrow	-	-	-	-	501,425	-
Receivables:						
Taxes	1,349,698	-	1,349,698	-	-	-
Intergovernmental	1,182,472	\$ 18,166	1,200,638	51,146	-	75,848
Internal balances	85,458	(85,458)	-	-	-	-
Other	159,542	62,078	221,620	-	740,400	1,711
Prepaid items	128,147	-	128,147	-	97,086	-
Inventories	453,516	-	453,516	-	158,852	-
Total Current Assets	35,764,057	(5,214)	35,758,843	895,823	3,214,245	2,264,307
Restricted Cash	-	-	-	-	433,965	-
Capital Assets:						
Nondepreciable capital assets	4,394,447	1,037,752	5,432,199	-	66,705	4,517,951
Depreciable capital assets, net	30,929,097	1,231,744	32,160,841	24,477	3,139,772	121,538
Total Capital Assets	35,323,544	2,269,496	37,593,040	24,477	3,206,477	4,639,489
Other Assets	-	-	-	-	28,739	-
Total Assets	71,087,601	2,264,282	73,351,883	920,300	6,883,426	6,903,796
DEFERRED OUTFLOWS OF RESOURCES						
Resources related to pensions	1,131,600	42,624	1,174,224	133,782	-	6,505
LIABILITIES						
Current Liabilities:						
Accounts payable	1,376,020	79,678	1,455,698	-	777,901	55,696
Intergovernmental payable	525,474	-	525,474	24,864	-	114,688
Accrued payroll	401,701	14,409	416,110	-	-	3,514
Retirement contributions payable	562,123	-	562,123	-	-	-
Unearned revenue	4,170	-	4,170	10,359	-	-
Compensated absences payable	53,825	2,238	56,063	-	-	99
Line of credit	-	-	-	-	139,193	-
Notes payable	-	-	-	-	1,350,000	-
Total Current Liabilities	2,923,313	96,325	3,019,638	35,223	2,267,094	173,997
Long-Term Liabilities:						
Unearned revenue	-	-	-	-	280,799	-
Net pension obligation	8,243,519	310,510	8,554,029	582,996	-	47,387
Compensated absences payable (net of current portion)	484,424	20,146	504,570	29,629	-	886
Accrued landfill closure and postclosure care costs	-	1,879,925	1,879,925	-	-	-
Notes payable (net of current portion)	-	-	-	-	6,104,499	-
Total Long-Term Liabilities	8,727,943	2,210,581	10,938,524	612,625	6,385,298	48,273
Total Liabilities	11,651,256	2,306,906	13,958,162	647,848	8,652,392	222,270
DEFERRED INFLOWS OF RESOURCES						
Resources related to pensions	-	-	-	142,291	-	-
NET POSITION						
Investment in capital assets	35,323,544	2,269,496	37,593,040	24,477	3,133,784	4,639,489
Restricted for:						
Capital projects	14,938,609	-	14,938,609	-	-	-
Other purposes	2,856,041	-	2,856,041	-	10,309	-
Unrestricted	7,449,751	(2,269,496)	5,180,255	239,466	(4,913,059)	2,048,542
Total Net Position	\$ 60,567,945	\$ -	\$ 60,567,945	\$ 263,943	\$ (1,768,966)	\$ 6,688,031

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Program/Function	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues			Primary Government		Component Units				
	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Health Department	Hospital Authority	Development Authority	
Primary Government										
Governmental Activities										
General government	\$ 2,261,814	\$ 18,890	-	\$ (1,268,746)	-	\$ (1,268,746)	-	-	-	-
Judicial	2,058,348	54,354	-	(1,745,768)	-	(1,745,768)	-	-	-	-
Public safety	13,657,743	21,969	-	(11,314,669)	-	(11,314,669)	-	-	-	-
Public works	7,074,332	-	\$ 1,352,578	(5,721,754)	-	(5,721,754)	-	-	-	-
Health and welfare	3,294,670	143,871	-	(3,150,799)	-	(3,150,799)	-	-	-	-
Culture and recreation	1,606,750	86,950	-	(1,355,361)	-	(1,355,361)	-	-	-	-
Housing and development	1,165,754	14,890	24,584	(1,039,290)	-	(1,039,290)	-	-	-	-
Total governmental activities	31,119,411	341,124	1,377,162	(25,596,387)	-	(25,596,387)	-	-	-	-
Business-type Activities										
Solid Waste	1,657,347	-	-	-	\$ (1,040,372)	(1,040,372)	-	-	-	-
Transit	359,140	62,672	-	-	(166,818)	(166,818)	-	-	-	-
Total business-type activities	2,016,487	62,672	-	-	(1,207,190)	(1,207,190)	-	-	-	-
Total - Primary Government	\$ 33,135,898	\$ 403,796	\$ 1,377,162	(25,596,387)	(1,207,190)	(26,803,577)	-	-	-	-
Component Units:										
Burke County Board of Health	\$ 733,133	\$ 495,405	-	-	-	-	\$ (54,634)	-	\$ 294,919	-
Development Authority of Burke County	262,815	262,168	\$ 274,691	-	-	274,691	-	\$ (327,510)	-	-
Burke County Hospital Authority	10,967,156	9,018,457	1,621,189	-	-	1,621,189	-	-	-	294,919
Total Component Units	\$ 11,963,104	\$ 9,222,426	\$ 1,895,880	\$ 757,573	\$ 1,895,880	\$ 1,895,880	\$ (54,634)	(327,510)	294,919	-
General Revenues										
Property taxes levied for:										
General purposes				16,927,813		16,927,813				
Fire protection				6,734,544		6,734,544				
Sales taxes				11,118,773		11,118,773				
Insurance premium tax				815,596		815,596				
Other taxes				228,173		228,173				
Interest earned				31,669		31,669	1,909		4,696	3,068
Miscellaneous				107,637		107,637				
Gain on sale of capital assets				34,412	75,987	110,399			119,970	
Total General Revenues				35,998,617	75,987	36,074,604	1,909	124,666	3,068	-
Transfers				(1,388,232)	1,388,232	-				
Total General Revenues and Transfers				34,610,385	1,464,219	36,074,604	1,909	124,666	3,068	-
Change in Net Position				9,013,998	257,029	9,271,027	(52,725)	(202,844)	297,987	-
Net Position, Beginning of Year, As Restated				51,553,947	(257,029)	51,296,918	316,668	(1,506,122)	6,390,044	-
Net Position, End of Year				\$ 60,567,945	\$ -	\$ 60,567,945	\$ 263,943	\$ (1,768,966)	\$ 6,688,031	\$ -

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	General	Fire Protection	SPLOST II	SPLOST III	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 914,140	\$ 10,753	\$ 1,000	\$ 18,805	\$ 2,284,472	\$ 3,229,170
Investments	19,619,591	-	493,828	9,062,635	-	29,176,054
Receivables:						
Taxes	1,333,611	16,087	-	-	-	1,349,698
Intergovernmental	142,199	-	-	745,397	294,876	1,182,472
Other	-	53,385	-	-	106,157	159,542
Due from other funds	264,315	2,771,983	-	-	3,394,325	6,430,623
Prepaid items	128,147	-	-	-	-	128,147
TOTAL ASSETS	\$ 22,402,003	\$ 2,852,208	\$ 494,828	\$ 9,826,837	\$ 6,079,830	\$ 41,655,706
LIABILITIES						
Accounts payable	\$ 707,815	\$ 52,523	\$ 427,212	\$ 45,402	\$ 40,345	\$ 1,273,297
Accrued payroll	203,630	167,284	-	-	8,552	379,466
Retirement contribution payable	562,123	-	-	-	-	562,123
Intergovernmental payable	-	-	-	525,474	-	525,474
Due to other funds	6,734,780	-	-	80,522	95,321	6,910,623
Unearned revenue	-	-	-	-	4,170	4,170
TOTAL LIABILITIES	8,208,348	219,807	427,212	651,398	148,388	9,655,153
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	32,448	12,248	-	-	-	44,696
FUND BALANCES						
Nonspendable	128,147	-	-	-	-	128,147
Restricted	-	2,620,153	67,616	9,175,439	2,631,442	14,494,650
Committed	-	-	-	-	3,300,000	3,300,000
Assigned	1,000,000	-	-	-	-	1,000,000
Unassigned	13,033,060	-	-	-	-	13,033,060
TOTAL FUND BALANCES	14,161,207	2,620,153	67,616	9,175,439	5,931,442	31,955,857
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 22,402,003	\$ 2,852,208	\$ 494,828	\$ 9,826,837	\$ 6,079,830	\$ 41,655,706

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

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

Total Governmental Fund Balances		\$ 31,955,857
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	\$ 81,240,788	
Less accumulated depreciation	<u>(46,322,927)</u>	34,917,861
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds:		
Property taxes		44,696
The internal service funds are used by management to charge the costs of the operation and maintenance of facilities and the vehicle fleet to individual funds. Certain assets and liabilities of the internal service funds are included in governmental activities columns in the statement of net position.		841,662
Interfund receivables and payables between governmental funds are reported on the funds balance sheet but eliminated on the government-wide statement of net position:		
Interfund receivables	6,910,623	
Interfund payables	<u>(6,910,623)</u>	-
Deferred outflows related to pensions are not reported in the governmental funds.		1,061,511
A liability is reported on the government-wide statement of net position for the County's cumulative underfunding of its annual required contribution to its pension plan.		(7,732,930)
Long-term liabilities such as compensated absences 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.		<u>(520,712)</u>
Net Position Of Governmental Activities		<u><u>\$ 60,567,945</u></u>

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General	Fire Protection	SPLOST II	SPLOST III	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 21,881,860	\$ 6,736,701	-	\$ 5,586,422	\$ 1,628,806	\$ 35,833,789
Licenses and permits	94,840	-	-	-	-	94,840
Charges for services	1,288,410	1,271,031	-	-	383,566	2,943,007
Fees, fines and forfeitures	466,074	-	-	-	141,031	607,105
Intergovernmental	192,072	17,495	\$ 662,041	694,645	131,557	1,697,810
Contributions and donations	-	-	-	-	2,700	2,700
Interest	31,538	-	1,527	11,608	7,473	52,146
Other	104,937	799	-	-	158,988	264,724
Total revenues	24,059,731	8,026,026	663,568	6,292,675	2,454,121	41,496,121
EXPENDITURES						
Current:						
General government	2,031,013	-	-	-	-	2,031,013
Judicial	1,908,495	-	-	-	132,610	2,041,105
Public safety	5,017,332	7,931,190	-	-	592,704	13,541,226
Public works	3,772,265	-	-	-	-	3,772,265
Health and welfare	3,245,030	-	-	-	29,400	3,274,430
Culture and recreation	1,479,039	-	-	-	111,588	1,590,627
Housing and development	885,372	-	-	-	-	885,372
Capital outlay						
General Government	-	-	-	170,476	-	170,476
Judicial	-	-	-	1,521,335	-	1,521,335
Public safety	-	508,343	-	657,113	39,279	1,204,735
Public works	-	-	2,172,825	928,902	549,219	3,650,946
Culture and recreation	-	-	-	113,958	-	113,958
Housing and development	-	-	-	298,932	-	298,932
Intergovernmental	-	-	-	1,478,407	-	1,478,407
Total expenditures	18,338,546	8,439,533	2,172,825	5,169,123	1,454,800	35,574,827
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,721,185	(413,507)	(1,509,257)	1,123,552	999,321	5,921,294
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	34,412	-	-	-	-	34,412
Transfers in	-	800,000	191,978	-	1,390,010	2,381,988
Transfers out	(4,012,939)	-	-	(10,587)	(169,340)	(4,192,866)
Total other financing sources (uses)	(3,978,527)	800,000	191,978	(10,587)	1,220,670	(1,776,466)
NET CHANGE IN FUND BALANCES	1,742,658	386,493	(1,317,279)	1,112,965	2,219,991	4,144,828
FUND BALANCES, OCTOBER 1, 2014, AS RESTATED	12,418,549	2,233,660	1,384,895	8,062,474	3,711,451	27,811,029
FUND BALANCES, SEPTEMBER 30, 2015	\$ 14,161,207	\$ 2,620,153	\$ 67,616	\$ 9,175,439	\$ 5,931,442	\$ 31,955,857

See accompanying notes to the basic financial statements.

BURKE 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 SEPTEMBER 30, 2015

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

Net Change In Fund Balances - Total Governmental Funds		\$ 4,144,828
<p>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.</p>		
	Depreciation expense	\$ (2,918,548)
	Capital outlay	<u>7,650,197</u>
		4,731,649
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
	Property taxes:	
	Unavailable revenue @ 9/30/15	44,696
	Unavailable revenue @ 9/30/14	<u>(53,590)</u>
		(8,894)
<p>Elimination of transfers between governmental funds:</p>		
	Transfers in	2,804,634
	Transfers out	<u>(2,804,634)</u>
<p>The internal service funds used by management to charge the costs of facilities and vehicle maintenance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.</p>		
		433,795
<p>The change in the net pension liability and pension related deferred outflows are reported on the government-wide statement of activities but not in the governmental funds.</p>		
		(270,385)
<p>Some expenses 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.</p>		
		<u>(16,995)</u>
Change In Net Position of Governmental Activities		<u>\$ 9,013,998</u>

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$17,998,000	\$ 16,934,548	\$(1,063,452)
Local option sales	3,600,000	3,903,543	303,543
Alcoholic beverage	60,000	73,887	13,887
Insurance premium	730,000	815,596	85,596
Other	176,000	154,286	(21,714)
Licenses and permits	106,800	94,840	(11,960)
Charges for services	1,184,800	1,288,410	103,610
Fees, fines and forfeitures	393,100	466,074	72,974
Intergovernmental	198,600	192,072	(6,528)
Interest	10,000	31,538	21,538
Other	50,000	104,937	54,937
Total revenues	24,507,300	24,059,731	(447,569)
EXPENDITURES			
Current:			
General government:			
Legislative	66,342	57,750	8,592
General administration	1,357,920	430,076	927,844
Elections	215,615	164,019	51,596
Board of equalization	7,180	3,217	3,963
Legal services	150,000	54,798	95,202
Data processing	30,000	23,063	6,937
Tax commissioner	445,541	454,660	(9,119)
Tax assessor	369,770	355,655	14,115
Risk management	411,172	395,785	15,387
Audit fees	35,000	28,990	6,010
Records management	46,750	47,318	(568)
CSRA Regional Commission	16,500	15,682	818
Total general government	3,151,790	2,031,013	1,120,777
Judicial:			
Clerk of Courts	496,650	428,756	67,894
Superior Court	311,800	271,713	40,087
State Court	34,300	18,159	16,141
State Court - Judge	65,619	70,056	(4,437)
State Court - Community Service	10,500	13,909	(3,409)
Solicitor's Office	148,200	129,369	18,831
Juvenile Court	93,400	91,213	2,187
District Attorney	180,000	154,407	25,593
Indigent defense	200,000	248,289	(48,289)
Magistrate Court	341,000	341,088	(88)
Probate Court	140,300	141,536	(1,236)
Total judicial	2,021,769	1,908,495	113,274
Public safety:			
Animal control	6,000	6,000	-
Coroner	61,755	53,146	8,609
Jail	2,735,594	2,476,006	259,588
Sheriff	2,742,452	2,482,180	260,272
Total public safety	5,545,801	5,017,332	528,469

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)			
Highways and streets	\$ 3,961,350	\$ 3,772,265	\$ 189,085
Health and welfare:			
Health department	226,800	230,454	(3,654)
Welfare	4,000	4,000	-
Senior citizens	323,000	310,576	12,424
Burke County Hospital Authority	4,208,400	2,700,000	1,508,400
Total health and welfare	<u>4,762,200</u>	<u>3,245,030</u>	<u>1,517,170</u>
Culture and recreation:			
Recreation	1,104,181	1,120,617	(16,436)
Museum	28,000	6,565	21,435
Library	363,850	351,857	11,993
Total culture and recreation	<u>1,496,031</u>	<u>1,479,039</u>	<u>16,992</u>
Housing and development:			
Burke Office Park	150,500	144,344	6,156
County agent	138,600	128,416	10,184
Soil conservation	30,300	30,230	70
Georgia Forestry Commission	34,000	33,226	774
Planning commission	272,849	255,093	17,756
Chamber of commerce	18,000	18,000	-
Airport	22,000	13,895	8,105
Development Authority	279,300	262,168	17,132
Total housing and development	<u>945,549</u>	<u>885,372</u>	<u>60,177</u>
Total expenditures	<u>21,884,490</u>	<u>18,338,546</u>	<u>3,545,944</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,622,810</u>	<u>5,721,185</u>	<u>3,098,375</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(3,632,810)	(4,012,939)	(380,129)
Sale of capital assets	10,000	34,412	24,412
Total other financing sources (uses)	<u>(3,622,810)</u>	<u>(3,978,527)</u>	<u>(355,717)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,000,000)</u>	1,742,658	<u>\$ 2,742,658</u>
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED		<u>12,418,549</u>	
FUND BALANCE, END OF YEAR		<u>\$ 14,161,207</u>	

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
FIRE PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 6,934,075	\$ 6,934,075	\$ 6,736,701	\$ (197,374)
Charges for services	1,220,000	1,220,000	1,271,031	51,031
Intergovernmental	35,500	35,500	17,495	(18,005)
Other	1,000	1,000	799	(201)
Total revenues	<u>8,190,575</u>	<u>8,190,575</u>	<u>8,026,026</u>	<u>(164,549)</u>
EXPENDITURES				
Current:				
Public safety	9,941,575	9,981,334	7,931,190	2,010,385
Capital outlay:				
Public safety	949,000	909,241	508,343	440,657
Total public safety	<u>10,890,575</u>	<u>10,890,575</u>	<u>8,439,533</u>	<u>2,451,042</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,700,000)	(2,700,000)	(413,507)	2,286,493
OTHER FINANCING SOURCES				
Transfers in	800,000	800,000	800,000	-
NET CHANGE IN FUND BALANCE	<u>\$ (1,900,000)</u>	<u>\$ (1,900,000)</u>	386,493	<u>\$ 2,286,493</u>
FUND BALANCE, BEGINNING OF YEAR			<u>2,233,660</u>	
FUND BALANCE, END OF YEAR			<u>\$ 2,620,153</u>	

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
ASSETS				
Current Assets				
Accounts receivable	\$ 62,078	-	\$ 62,078	-
Intergovernmental	-	\$ 18,166	18,166	-
Due from other funds	3,014	-	3,014	\$ 565,458
Inventory	-	-	-	453,516
Total Current Assets	<u>65,092</u>	<u>18,166</u>	<u>83,258</u>	<u>1,018,974</u>
Noncurrent Assets				
Capital Assets				
Land	1,037,752	-	1,037,752	-
Buildings and improvements	496,918	-	496,918	506,251
Machinery and equipment	1,027,304	324,347	1,351,651	469,571
Less accumulated depreciation	(434,704)	(182,121)	(616,825)	(570,139)
Total Capital Assets	<u>2,127,270</u>	<u>142,226</u>	<u>2,269,496</u>	<u>405,683</u>
Total Assets	<u>2,192,362</u>	<u>160,392</u>	<u>2,352,754</u>	<u>1,424,657</u>
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	33,410	9,214	42,624	70,089
LIABILITIES				
Current Liabilities				
Accounts payable	79,231	447	79,678	102,723
Accrued payroll	9,888	4,521	14,409	22,235
Compensated absences payable	1,334	904	2,238	1,754
Due to other funds	-	88,472	88,472	-
Total Current Liabilities	<u>90,453</u>	<u>94,344</u>	<u>184,797</u>	<u>126,712</u>
Long-Term Liabilities				
Compensated absences payable (net of current portion)	12,008	8,138	20,146	15,783
Net pension obligation	243,386	67,124	310,510	510,589
Accrued landfill closure and postclosure care costs	1,879,925	-	1,879,925	-
Total Long-term Liabilities	<u>2,135,319</u>	<u>75,262</u>	<u>2,210,581</u>	<u>526,372</u>
Total Liabilities	<u>2,225,772</u>	<u>169,606</u>	<u>2,395,378</u>	<u>653,084</u>
NET POSITION				
Investment in capital assets	2,127,270	142,226	2,269,496	405,683
Unrestricted	(2,127,270)	(142,226)	(2,269,496)	435,979
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 841,662</u>

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 616,975	\$ 129,650	\$ 746,625	\$ 2,767,318
Total revenues	<u>616,975</u>	<u>129,650</u>	<u>746,625</u>	<u>2,767,318</u>
OPERATING EXPENSES				
Salaries	288,032	157,622	445,654	718,694
Employee benefits	111,539	50,211	161,750	279,959
Purchased services	1,029,255	63,679	1,092,934	219,605
Materials and supplies	93,365	42,870	136,235	1,496,952
Depreciation	135,156	44,758	179,914	40,959
Total operating expenses	<u>1,657,347</u>	<u>359,140</u>	<u>2,016,487</u>	<u>2,756,169</u>
OPERATING INCOME (LOSS)	(1,040,372)	(229,490)	(1,269,862)	11,149
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	-	62,672	62,672	-
Gain (loss) on disposal of capital assets	80,880	(4,893)	75,987	-
Total non-operating revenues (expenses)	<u>80,880</u>	<u>57,779</u>	<u>138,659</u>	<u>-</u>
INCOME (LOSS) BEFORE TRANSFERS	(959,492)	(171,711)	(1,131,203)	11,149
TRANSFERS IN	<u>1,160,958</u>	<u>227,274</u>	<u>1,388,232</u>	<u>422,646</u>
CHANGE IN NET POSITION	201,466	55,563	257,029	433,795
NET POSITION, OCTOBER 1, 2014, AS RESTATED	<u>(201,466)</u>	<u>(55,563)</u>	<u>(257,029)</u>	<u>407,867</u>
NET POSITION, SEPTEMBER 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 841,662</u>

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business Type Activities - Enterprise Funds			Governmental
	Solid			Activities
	Waste	Transit	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 663,032	\$ 129,650	\$ 792,682	-
Cash received from interfund charges	-	-	-	\$ 2,291,759
Cash payments to employees for salaries and benefits	(388,913)	(204,690)	(593,603)	(978,598)
Cash payments for goods and services	(1,080,299)	(106,102)	(1,186,401)	(1,653,170)
Net cash used by operating activities	<u>(806,180)</u>	<u>(181,142)</u>	<u>(987,322)</u>	<u>(340,009)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants	-	66,709	66,709	-
Advances from (to) other funds	(121,178)	(89,327)	(210,505)	-
Transfers in	1,150,371	79,934	1,230,305	422,646
Net cash provided (used) by noncapital financing activities	<u>1,029,193</u>	<u>57,316</u>	<u>1,086,509</u>	<u>422,646</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers from capital projects fund	10,587	147,340	157,927	-
Proceeds from sale of assets	115,069	-	115,069	-
Purchase of capital assets	(348,669)	(23,514)	(372,183)	(82,637)
Net cash provided (used) by capital and related financing activities	<u>(223,013)</u>	<u>123,826</u>	<u>(99,187)</u>	<u>(82,637)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	-	-	-	-
CASH AND CASH EQUIVALENTS, OCTOBER 1, 2014				
	-	-	-	-
CASH AND CASH EQUIVALENTS, SEPTEMBER 30, 2015				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,040,372)	\$ (229,490)	\$ (1,269,862)	\$ 11,149
Adjustments:				
Depreciation	135,156	44,758	179,914	40,959
(Increase) decrease in operating assets:				
Accounts receivable	46,057	-	46,057	-
Interfund receivables	-	-	-	(475,559)
Inventory	-	-	-	30,817
(Increase) decrease in deferred outflow of resources - resources related to pensions	(4,279)	(1,180)	(5,459)	(8,977)
Increase (decrease) in operating liabilities:				
Accounts payable	14,539	447	14,986	32,570
Accrued landfill closure and postclosure care costs	27,782	-	27,782	-
Accrued payroll	1,897	134	2,031	2,489
Compensated absences payable	250	662	912	(288)
Net pension obligation	12,790	3,527	16,317	26,831
Net cash used by operating activities	<u>\$ (806,180)</u>	<u>\$ (181,142)</u>	<u>\$ (987,322)</u>	<u>\$ (340,009)</u>

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2015

ASSETS

Cash

\$ 703,782

LIABILITIES

Due to other entities and individuals

\$ 703,782

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The financial statements of Burke County, Georgia (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The accompanying summary of the County's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report.

Basis of accounting

The basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide statements – The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with the program or function of the County's governmental activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements – The fund financial statements provide information about the County's funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented, although the latter is excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Sales taxes collected and held by the state at year-end on behalf of the County are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if susceptible to accrual criteria is met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with financial-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The County reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the County. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, fines and forfeitures, and various other taxes and charges. The primary expenditures are for general administration, public safety, highways and streets, health and welfare, and culture and recreation.

Fire Protection Fund – This special revenue fund has been established to account for the County’s fire tax to be used for fire protection and emergency management activities.

Special Purpose Local Option Sales Tax (SPLOST) II and III Funds – These capital projects funds were established to account for expenditures on capital improvements made by the County and financed through revenues from a special purpose local option sales tax.

The County reports the following major enterprise funds:

Solid Waste Fund – The Solid Waste Fund is used to account for the collection and disposal of solid waste.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Transit Fund – This fund is used to account for the operation and costs of Burke County Transit.

The County also reports two internal service funds. The *Vehicle Maintenance Fund* is used to account for operations that provide repairs and maintenance to the County fleet. The *Facilities Maintenance Fund* is used to account for repairs and maintenance to County buildings and facilities. These services are provided to other County departments on a cost-reimbursement basis.

The County has adopted GASB Statement No. 20, Accounting and Financial Reporting of Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, and has elected to follow GAAP prescribed by GASB and all Financial Accounting Standard Board (FASB) standards issued prior to November 30, 1989. Subsequent to this date, the County accounts for its business-type activities and enterprise funds of the primary government as presented by GASB.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste and the Transit Funds are charges to customers for sales and services. Operating expenses for enterprise funds include costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Additionally, the County reports the following fund types:

Fiduciary Funds – Fiduciary funds are custodial in nature and do not involve the measurement of operating results. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the County in an agency capacity for individuals and other government units. Fiduciary funds are accounted for on the accrual basis, much like that used for proprietary funds.

Fiduciary funds include all trust funds which account for assets held by the County as a trustee for individuals or other government units.

Component Units

Discretely presented component units are presented in separate columns on the government-wide statement of net position and statement of activities to emphasize legal separation from the County.

Those discretely presented component units are:

Development Authority of Burke County – This component unit column in the government-wide financial statements includes the financial data of the Development Authority of Burke County. It is reported in a separate column to emphasize that it is legally separate from the County. Governed by County appointment, this entity was created for the purpose of promoting and developing trade, commerce, industry, and employment opportunities in the County. Operations of the Development Authority are subsidized through the General Fund as needed. No separate financial statements are issued for the Development Authority of Burke County.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Burke County Health Department – This component unit column in the government-wide financial statements includes the financial data of the Burke County Health Department. It is reported in a separate column to emphasize that it is legally separate from the County. Governed by a voting majority of board members appointed by the County, this entity receives funding from Burke County. The Health Department has a June 30 year end, and the financial statements included herein are as of and for the year ended June 30, 2015. Separate financial statements have been issued and are available from the Burke County Health Department.

Burke County Hospital Authority – This component unit column in the government-wide financial statements includes the financial data of the Burke County Hospital Authority. It is reported in a separate column to emphasize that it is legally separate from the County. Governed by a voting majority of board members appointed by the County, this entity receives funding from Burke County in the form of loan guarantees and appropriations. The County has guaranteed *Burke County Hospital Authority Taxable Note, Series 2013B* and *Burke County Hospital Authority Revenue Anticipation Series 2013A*, which are collateralized by the revenues and funds of the Authority, with the County's resources serving as the secondary source of repayment. The Hospital Authority has a May 31 year end, and the financial statements included herein are as of and for the year ended May 31, 2015. Separate financial statements have been issued and are available from the Burke County Hospital Authority.

The following component unit has been included in the financial statements as a blended component unit:

Public Library – Governed by County appointment, this entity oversees the Burke County Library that is available to the citizens of Burke County and the general public. No separate financial statements are issued for the Public Library.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 30, the County administrator submits to the County Board of Commissioners a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted by the County to obtain taxpayer comments.
3. The budget is legally enacted by resolution of the County Board of Commissioners.
4. The County administrator is authorized to transfer line item amounts within operating departments.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Project length budgets are adopted for Capital Project Funds.
6. Budgets for the governmental funds are adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Budget amounts reflected in the accompanying financial statements represent the original adopted budget and any revisions approved by the County Board of Commissioners. The County Board of Commissioners approves additional appropriations or transfers between departments.

Encumbrances

The County does not employ encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded as liabilities on the balance sheet when issued.

Cash and cash equivalents

For purposes of financial statement presentation, the County considers all highly liquid investments with an original maturity of three months or less, or with insignificant early withdrawal penalties, to be cash equivalents. Cash and cash equivalents include amounts in demand deposits and certificates of deposit at September 30, 2015.

Investments

The County follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Nonparticipating interest-earning investment contracts (investments whose value is not affected by interest rate or other market changes), include money market investments (short-term, highly liquid debt instruments including commercial paper, banker's acceptances and U. S. Treasury and agency obligations), that have a remaining maturity at purchase of one year or less are reported at cost or amortized cost assuming their fair value has not been impacted by changes in the credit worthiness of the issuer or similar factors. All other investments are reported at fair value (the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale).

Local government investment pool – The local government investment pool “Georgia Fund 1”, created by O.C.G.A. §36-83-8, is a stable net asset value investment pool that follows Standard and Poor’s criteria for AAA rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2A-7 of the Investment Company Act of 1940 and is considered to be a 2A-7 like pool. The pool is not registered with the SEC as an investment company. The pool’s primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). The Office of State Treasurer is the regulatory oversight agency.

Receivables

All receivables are reported at their net realizable value.

Inventories

Inventories consist of expendable supplies held for consumption stated on a first-in, first-out basis. They are reported at cost and are recorded as expenditures at the time the individual inventory items are used.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of proprietary assets is included as part of the capitalized value of the assets constructed. All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

Buildings	20 – 40 years
Improvements other than buildings	10 years
Furniture, fixtures, and equipment	5 – 10 years
Infrastructure	20 years

Infrastructure acquired prior to June 20, 1980, is not reported.

Compensated Absences

County employees are entitled to certain compensated absences based on their length of employment. County employees may earn vacation time up to a maximum of fifteen (15) days per year, which is vested. As in prior years, compensated absences are liquidated through the General Fund.

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables and interfund payables on the balance sheet of the fund financial statements and as internal balances on the statement of net position in the government-wide financial statements. Internal balances are eliminated in the government-wide financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made on behalf of another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is being reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

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 has only one item that qualifies for reporting in this category. It is resources related to pensions reported at the government-wide level for governmental and business-type activities and at the fund level for proprietary funds.

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

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, the 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:

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. It includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Restricted – The restricted fund balance classification includes amounts that are either restricted externally by creditors, grantors, contributors, or laws or regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – The assigned fund balance classification includes amounts that are constrained by the County's intent to be used for specific purposes but are not restricted or committed. The authority for making an assignment is not required to be the County's highest level of decision-making authority and as such, the nature of actions necessary to remove or modify an assignment does not require the County's highest level of authority.

Unassigned – The unassigned fund balance classification includes the residual amounts of fund balances that do not meet any of the above criteria. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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 represents 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 their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net 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.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these amounts.

NOTE 2 – DEPOSITS AND INVESTMENTS

At September 30, 2015, the County had the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Primary Government:			
Georgia Fund 1	Average of 62 days WAM	\$ 29,176,054	AAAf
Discretely Presented Component Unit -			
Development Authority of Burke County:			
Certificates of Deposit	-	<u>\$ 750,000</u>	-

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

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

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

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

At September 30, 2015, the carrying amount of the County’s deposits (checking and certificates of deposit) was \$3,932,952 and the bank balance was \$4,025,022. Of the bank balance, \$1,278,261 was covered by federal depository insurance and \$2,746,761 was collateralized with securities held by the pledging financial institution’s trust department or agent in the County’s name.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS AND INVESTMENTS – Continued

Discretely Presented Component Units

At September 30, 2015, the carrying amount of deposits (checking and certificates of deposit) for the Development Authority of Burke County was \$2,186,748 and the bank balance was \$2,186,658. Of the bank balance, \$500,000 was covered by federal depository insurance and \$1,686,658 was collateralized by securities held by the pledging financial institution's trust department or agent in the Authority's name.

At June 30, 2015, the carrying amount of the Burke County Health Department's bank deposits was \$424,640 and the bank balance was \$452,753. Of the bank balance, \$410,000 was covered by federal depository insurance and \$42,753 was collateralized by securities held by the pledging financial institution's trust department or agent in the Health Department's name.

At May 31, 2015, the carrying amount of the Burke County Hospital Authority's bank deposits was \$1,507,907 and the bank balance was \$2,180,874. Of the bank balance, \$487,361 was covered by federal depository insurance and \$1,692,713 was uninsured and uncollateralized.

NOTE 3 – RECEIVABLES

Receivables at September 30, 2015, consisted of taxes, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectibility. The allowances for uncollectibles netted against receivables at September 30, 2015 follow:

<u>Fund</u>	<u>Allowance for Uncollectibles</u>
Fire Protection	\$ 517,206
Solid Waste	605
General	97,345

NOTE 4 – PROPERTY TAXES

The County's Tax Commissioner bills and collects property taxes, then remits to the County its respective share of property taxes. Property taxes are an enforceable lien on property owned as of January 1. Taxes are typically levied in October and may be paid after receipt of the tax bill. Taxes are considered delinquent 61 days after mailing by the Tax Commissioner. Property tax revenues are recognized when they become measurable and available. Available revenues include those property tax receivables expected to be collected within 60 days. Property taxes are recorded as receivables when levied.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – PROPERTY TAXES (continued)

Current year property taxes were levied on December 17, 2014, and due February 28, 2015. A summary of the current year property tax levy is as follows:

	<u>General Fund</u>	<u>Fire Protection Fund</u>
Millage rates		
Unincorporated	6.264	2.756
Incorporated	6.565	2.756
Property tax levy	<u>\$ 16,226,930</u>	<u>\$ 6,727,848</u>
Property taxes receivable at September 30, 2015	\$ 141,289	\$ 52,832
Allowance for uncollectible accounts	<u>(97,345)</u>	<u>(36,745)</u>
Net property taxes receivable at September 30, 2015	<u>\$ 43,944</u>	<u>\$ 16,087</u>
Unavailable property tax revenue at September 30, 2015	<u>\$ 32,448</u>	<u>\$ 12,248</u>

NOTE 5 – PUBLIC UTILITIES TAX

Public Utility taxes accounted for approximately 78% of the current year tax digest.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS

Governmental activities capital asset activity (including the vehicle maintenance and facilities maintenance internal service funds) for the year ended September 30, 2015, was as follows:

	Balance 10/01/14	Additions	Deductions	Balance 09/30/15
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,286,011	\$ 2,308,922	-	\$ 3,594,933
Construction in progress	1,276,997	38,153	\$ 515,636	799,514
Total capital assets not being depreciated	<u>2,563,008</u>	<u>2,347,075</u>	<u>515,636</u>	<u>4,394,447</u>
Capital assets being depreciated:				
Infrastructure	37,963,197	3,059,754	-	41,022,951
Buildings and improvements	19,237,830	700,480	-	19,938,310
Furniture, fixtures, and equipment	15,381,229	2,141,162	661,489	16,860,902
Total capital assets being depreciated	<u>72,582,256</u>	<u>5,901,396</u>	<u>661,489</u>	<u>77,822,163</u>
Total capital assets	<u>75,145,264</u>	<u>8,248,471</u>	<u>1,177,125</u>	<u>82,216,610</u>
Accumulated depreciation:				
Infrastructure	22,542,656	1,542,900	-	24,085,556
Buildings and improvements	9,180,737	505,691	-	9,686,428
Furniture, fixtures, and equipment	12,871,655	910,916	661,489	13,121,082
Total accumulated depreciation	<u>44,595,048</u>	<u>2,959,507</u>	<u>661,489</u>	<u>46,893,066</u>
Governmental activities capital assets, net	<u>\$ 30,550,216</u>	<u>\$ 5,288,964</u>	<u>\$ 515,636</u>	<u>\$ 35,323,544</u>

Depreciation expense was charged to functions as follows:

General government	\$ 272,248
Public safety	585,014
Culture and recreation	181,043
Health and welfare	20,241
Public works	1,860,002
Vehicle maintenance internal service fund	8,530
Facility maintenance internal service fund	32,429
Total governmental activities depreciation expense	<u>\$ 2,959,507</u>

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS - Continued

Business-type capital asset activity for the year ended September 30, 2015 was as follows:

	Balance 10/01/14	Additions	Deductions	Balance 09/30/15
Business-type activities:				
Capital assets not being depreciated:				
Land	\$1,037,752	-	-	\$1,037,752
Capital assets being depreciated:				
Buildings	368,798	\$ 10,587	-	379,385
Improvements other than buildings	92,283	25,250	-	117,533
Machinery and equipment	1,295,374	336,346	\$ 280,069	1,351,651
Total capital assets being depreciated	1,756,455	372,183	280,069	1,848,569
Total capital assets	2,794,207	372,183	280,069	2,886,321
Accumulated depreciation:				
Buildings	5,696	9,485	-	15,181
Improvements other than buildings	76,283	4,840	-	81,123
Machinery and equipment	595,917	165,589	240,985	520,521
Total accumulated depreciation	677,896	179,914	240,985	616,825
Business-type activities capital assets, net	<u>\$2,116,311</u>	<u>\$ 192,269</u>	<u>\$ 39,084</u>	<u>\$2,269,496</u>

Depreciation expense was charged as follows:

Solid Waste Fund	\$ 135,156
Transit Fund	44,758
Total business-type activities depreciation expense	<u>\$ 179,914</u>

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS – Continued

Capital asset activity for the Development Authority component unit for the year ended September 30, 2015 was as follows:

	Balance 10/01/14 (As Restated)	Additions	Deductions	Balance 09/30/15
Capital assets not being depreciated:				
Land	\$ 21,852	-	\$ -	\$ 21,852
Land held for sale	4,496,099	-	-	4,496,099
Total capital assets not being depreciated	<u>4,650,241</u>	<u>-</u>	<u>-</u>	<u>4,517,951</u>
Capital assets being depreciated:				
Buildings	105,484	-	-	105,484
Machinery and equipment	25,499	-	-	25,499
Improvements	5,850	\$ 25,297	-	31,147
Total capital assets being depreciated	<u>136,833</u>	<u>25,297</u>	<u>-</u>	<u>162,130</u>
Accumulated depreciation:				
Buildings	30,986	2,637	-	33,623
Machinery and equipment	2,125	3,643	-	5,768
Improvements	195	1,006	-	1,201
Total accumulated depreciation	<u>33,306</u>	<u>7,286</u>	<u>-</u>	<u>40,592</u>
Development Authority capital assets, net	<u>\$ 4,753,768</u>	<u>\$ 18,011</u>	<u>\$ -</u>	<u>\$ 4,639,489</u>

Capital asset activity for the Health Department component unit for the year ended June 30, 2015 was as follows:

	Balance 07/01/14	Additions	Deductions	Balance 06/30/15
Capital assets being depreciated:				
Machinery and equipment	\$ 169,074	\$ 18,121	\$ -	\$ 187,195
Accumulated depreciation:				
Machinery and equipment	159,320	3,398	-	162,718
Health Department capital assets, net	<u>\$ 9,754</u>	<u>\$ 14,723</u>	<u>\$ -</u>	<u>\$ 24,477</u>

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS – Continued

Capital asset activity for the Hospital Authority component unit for the year ended May 31, 2015 was as follows:

	Balance 06/01/14	Additions	Deductions	Balance 05/31/15
Capital assets not being depreciated:				
Construction in progress	\$ 9,560	-	\$ 9,560	-
Land	66,705	-	-	\$ 66,705
Total capital assets not being depreciated	<u>76,265</u>	<u>-</u>	<u>9,560</u>	<u>66,705</u>
Capital assets being depreciated:				
Buildings and improvements	10,870,319	\$ 4,792	23,223	10,851,888
Machinery and equipment	6,836,728	220,547	7,741	7,049,534
Total capital assets being depreciated	<u>17,707,047</u>	<u>225,339</u>	<u>30,964</u>	<u>17,901,422</u>
Total capital assets at historical cost	17,783,312	225,339	40,524	17,968,127
Less accumulated depreciation	<u>(14,256,438)</u>	<u>(536,176)</u>	<u>30,964</u>	<u>(14,761,650)</u>
Hospital Authority capital assets, net	<u>\$ 3,526,874</u>	<u>\$ (310,837)</u>	<u>\$ 71,488</u>	<u>\$ 3,206,477</u>

NOTE 7 – LONG-TERM DEBT

The following is a summary of long-term debt activity for governmental activities and business type activities for the year ended September 30, 2015:

	Balance October 1, 2014 (As Restated)	Additions	Reductions	Balance September 30, 2015	Amounts Due In One Year
Governmental Activities:					
Compensated absences payable	\$ 521,541	\$ 596,117	\$ 579,409	\$ 538,249	\$ 53,825
Net pension obligation	7,810,341	1,306,170	872,992	8,243,519	-
Total Governmental Activities	<u>\$ 8,331,882</u>	<u>\$ 1,902,287</u>	<u>\$ 1,452,401</u>	<u>\$ 8,781,768</u>	<u>\$ 53,825</u>
Business-Type Activities:					
Compensated absences payable	\$ 21,472	\$ 20,327	\$ 19,415	\$ 22,384	\$ 2,238
Accrued landfill closure and postclosure care costs	1,852,143	50,537	22,755	1,879,925	18,323
Net pension obligation	294,194	49,200	32,884	310,510	-
Total Business-Type Activities	<u>\$ 2,167,809</u>	<u>\$ 120,064</u>	<u>\$ 75,054</u>	<u>\$ 2,212,819</u>	<u>\$ 20,561</u>

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM DEBT – Continued

There were no short-term borrowings for governmental activities during the year ended September 30, 2015.

The following is a summary of long-term liability activity for discretely presented component units:

	Balance July 1, 2014 (As Restated)	Additions	Reductions	Balance June 30, 2015	Amounts Due In One Year
Health Department:					
Net pension obligation	\$ 668,112	-	\$ 85,116	\$ 582,996	\$ -
Compensated absences payable	31,137	\$ 30,641	32,149	29,629	-
Total Health Department	<u>\$ 699,249</u>	<u>\$ 30,641</u>	<u>\$ 117,265</u>	<u>\$ 612,625</u>	<u>\$ -</u>
	Balance October 1, 2014 (As Restated)	Additions	Reductions	Balance September 30, 2015	Amounts Due In One Year
Development Authority:					
Net pension obligation	\$ 44,896	\$ 7,508	\$ 5,018	\$ 47,386	-
Compensated absences payable	8,647	2,284	9,946	985	\$ 99
Total Development Authority	<u>\$ 53,543</u>	<u>\$ 9,792</u>	<u>\$ 14,964</u>	<u>\$ 48,371</u>	<u>\$ 99</u>
	Balance June 1, 2014	Additions	Reductions	Balance May 31, 2015	Amounts Due In One Year
Hospital Authority:					
Line of credit	\$ 105,189	\$ 139,193	\$ 105,189	\$ 139,193	\$ 139,193
2013A Certificate	8,551,999	-	1,313,049	7,238,950	1,313,049
Series 2013B Taxable Note	252,500	-	36,951	215,549	36,951
Total Hospital Authority	<u>\$ 8,909,688</u>	<u>\$ 139,193</u>	<u>\$ 1,455,189</u>	<u>\$ 7,593,692</u>	<u>\$ 1,489,193</u>

NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

Excess expenditures over appropriations for the year ended September 30, 2015 were as follows:

	Overexpenditures
General Fund:	
Tax commissioner	\$ 9,119
Records management	568
State court - Judge	4,437
State court - Community Service	3,409
Indigent defense	48,289
Magistrate Court	88
Probate Court	1,236
Health department	3,654
Recreation	16,436

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS - Continued

The County funded expenditures in excess of appropriations through underexpenditures in other departments.

Expenditures exceeded appropriations for the Drug Treatment & Education and Public Library special revenue funds, and the excess expenditures were funded by revenues in excess of amounts budgeted.

NOTE 9 – INTERFUND RECEIVABLES, INTERFUND PAYABLES AND TRANSFERS

A summary of interfund receivables and payables as of September 30, 2015, follows. Interfund receivables and payables accounts for loans between funds for cash management purposes. All amounts are expected to be paid within one year.

Receivable Fund	Payable Fund	Amount
General	Emergency telephone system	\$ 95,321
	Transit	88,472
	SPLOST 3	80,522
Other capital projects	General	3,300,000
Sheriff's commissions	General	82,865
Fire protection	General	2,771,983
Small grants	General	4,793
Accountability court	General	6,667
Solid Waste	General	3,014
Vehicle maintenance	General	367,089
Facility maintenance	General	198,369
Total		<u>\$ 6,999,095</u>

A summary of transfers for the year ended September 30, 2015 is as follows:

Transfers between funds were routine and primarily to support the operation of the funds receiving transfers.

Transfers To:	Transfers From:				Total
	General Fund	T-SPLOST Fund	Drug Treatment & Education Fund	SPLOST III Fund	
Fire Protection Fund	\$ 800,000	-	-	-	\$ 800,000
E911 Fund	39,910	-	-	-	39,910
Solid Waste Fund	1,150,371	-	-	\$ 10,587	1,160,958
Transit Fund	79,934	\$ 147,340	-	-	227,274
Accountability Court Fund	28,100	-	\$ 22,000	-	50,100
SPLOST II Fund	191,978	-	-	-	191,978
Vehicle Maintenance	270,595	-	-	-	270,595
Facility Maintenance	152,051	-	-	-	152,051
Other Capital Projects Fund	1,300,000	-	-	-	1,300,000
Total	<u>\$ 4,012,939</u>	<u>\$ 147,340</u>	<u>\$ 22,000</u>	<u>\$ 10,587</u>	<u>\$ 4,192,866</u>

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2015, governmental fund balances are composed of the following:

	<u>General Fund</u>	<u>Fire Protection</u>	<u>SPLOST II</u>	<u>SPLOST III</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable - Prepaid items	\$ 128,147	-	-	-	-	\$ 128,147
Restricted:						
Capital projects	-	-	\$ 67,616	\$ 9,175,439	\$ 2,395,554	11,638,609
Fire protection	-	\$ 2,620,153	-	-	-	2,620,153
Sheriff	-	-	-	-	84,091	84,091
Law library	-	-	-	-	6,231	6,231
Drug enforcement	-	-	-	-	3,392	3,392
Public library	-	-	-	-	64,015	64,015
Drug education	-	-	-	-	11,876	11,876
Jail	-	-	-	-	40,073	40,073
Emergency telephone system	-	-	-	-	2,063	2,063
Victims assistance	-	-	-	-	9,688	9,688
Juvenile services	-	-	-	-	1,934	1,934
Accountability court	-	-	-	-	12,525	12,525
Total restricted	-	2,620,153	67,616	9,175,439	2,631,442	14,494,650
Committed - Judicial Center	-	-	-	-	3,300,000	3,300,000
Assigned - subsequent year's budget	1,000,000	-	-	-	-	1,000,000
Unassigned	13,033,060	-	-	-	-	13,033,060
Total fund balances	\$ 14,161,207	\$ 2,620,153	\$ 67,616	\$ 9,175,439	\$ 5,931,442	\$ 31,955,857

NOTE 11 – RETIREMENT PLAN

Plan Description

The County's defined benefit pension plan, the Burke County Defined Benefit Plan (the "Plan"), provides retirement, disability, and death benefits to plan members and beneficiaries. The Plan is affiliated with the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (the "Plan"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The specific benefit provisions of the County's plan were established by an adoption agreement executed by the Burke County Board of Commissioners. The ACCG issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

Benefits Provided

All full-time County and Development Authority (discretely presented component unit) employees are eligible to participate in the Plan after reaching age 21 and completing at least one year of service.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – RETIREMENT PLAN – Continued

Normal retirement age is 65. At that time, an employee is entitled to a lifetime pension equal to 1.20% of average annual compensation multiplied by the years of service (maximum of 40 years) plus .75% of average annual compensation in excess of \$10,000 multiplied by years of service (maximum 35 years). The .75% is reduced to .70% for employees born after 1937 and reduced to .65% for employees born after 1954. Average annual compensation is defined as the highest average compensation over three consecutive plan years during the 10 plan years preceding retirement or termination. An employee becomes 100% vested after completing five years of service. These benefit provisions and all other requirements, including amendments or termination, are established by County ordinance.

Employees Covered by Benefit Terms

Retirees and beneficiaries receiving benefits	53
Deferred vested (former employees)	123
Active participants	<u>290</u>
Total plan participants	<u>466</u>
Covered Compensation	<u>\$ 11,843,126</u>

Contributions

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in section 47-20 of the Georgia Code. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014.

Actuarial Assumptions

The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.50% per year
Future salary increases	4.50% plus an aged base scale ranging from -1.0% to 1.5%
Mortality	RP-2000, Combined
Future payroll growth	5.50% per year
Inflation	3.00%

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – RETIREMENT PLAN – Continued

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to December 31, 2014.

The Plan’s financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and incremental changes in the cash value of pre-retirement life insurance policies owned by the trust. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market price. The trust fund is invested approximately 70% in equities and 30% in fixed income securities on a cost basis.

The long-term expected rate of return on pensions plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	55%	8.98%
International equity	15%	5.44%
Fixed income	30%	5.75%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on the assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – RETIREMENT PLAN – Continued

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a)-(b)
Balance, January 1, 2014	\$ 24,949,124	\$ 16,799,693	\$8,149,431
Changes for the year:			
Service cost	629,361	-	629,361
Interest on the total pension liability	1,844,208	-	1,844,208
Contributions from the employer	-	1,029,499	(1,029,499)
Net investment income	-	1,232,806	(1,232,806)
Administrative expenses	-	(57,294)	57,294
Benefit payments	(719,374)	(719,374)	-
Other changes	-	(183,427)	183,427
Net Changes	<u>1,754,195</u>	<u>1,302,210</u>	<u>451,985</u>
Balance, December 31, 2014	<u>\$ 26,703,319</u>	<u>\$ 18,101,903</u>	<u>\$8,601,416 *</u>

*Includes net pension liability for the Development Authority (discretely presented component unit)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the County, calculated using the discounted rate of 7.50 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate:

	<u>Discount Rate - 1% (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>Discount Rate + 1% (8.50%)</u>
County's net pension liability	\$ 12,240,528	\$ 8,601,416	\$ 5,574,887

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2015, the County recognized pension expense of \$1,362,878. At September 30, 2015, the County reported deferred outflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>
Employer contributions after measurement date	\$ 1,062,123
Net differences between projected and actual net investment income	118,606
	<u>\$ 1,180,729 *</u>

*Includes deferred outflows of resources for the Development Authority (discretely presented component unit)

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – RETIREMENT PLAN – Continued

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30	
2016	\$ 1,085,845
2017	23,721
2018	23,721
2019	23,721
2020	23,721
	<u>\$ 1,180,729</u>

NOTE 12 – ACCRUED LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and Federal laws and regulations require that the County perform certain maintenance and monitoring functions at its landfill site for thirty years after closure which occurred in 1999. In addition to operating expenditures related to current activities of the landfill, a liability is being recognized based on the future postclosure care costs that will be incurred in the next 20 years. The estimated liability for landfill postclosure care costs, which is recorded in the Solid Waste Enterprise Fund, has a balance of \$1,879,925 as of September 30, 2015. This is based on 100% usage (filled) of the landfill. During 1998, the landfill reached full capacity. The estimated total current cost of the landfill postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were incurred as of September 30, 2015. However, the actual cost of postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 13 – JOINT VENTURE

Under Georgia law, the County, in conjunction with the thirteen counties and forty-one cities in east Georgia known as the Central Savannah River Area (CSRA), is a member of the CSRA Regional Commission (CSRA RC). The CSRA RC is a public organization that assists local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. The operations are mainly financed by membership dues and financial assistance provided by the State of Georgia. Membership in the CSRA RC is required by the Official Code of Georgia Annotated (O.C.G.A.) §58-8-34 with annual dues based on a per capita amount. During the year ended September 30, 2015, the County paid \$15,682 in such dues, which was based on a per capita amount of \$.55. The CSRA RC Board membership is composed of one County official, one city official, and one private sector individual from each county. O.C.G.A. §58-8-39.1 provides that the County is liable for any debts or obligations of the CSRA RC. The Comprehensive Annual Financial Report of the CSRA RC may be obtained from:

CSRA Regional Commission
3023 River Watch Parkway, Suite A
Augusta, GA 30907

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 14 – HOTEL/MOTEL LODGING TAX

The County has levied a 5% lodging tax. There were no lodging taxes collected during the year ended September 30, 2015.

NOTE 15 – 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; and natural disasters. The County maintains commercial insurance coverage covering those risks of loss. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. As of September 30, 2015, the County had recorded no liability for claims. The County is covered by commercial insurance.

The County has joined together with other governments in the state as part of the ACCG Group Self-Insurance Workers Compensation Fund (ACCG-GSIWCF), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agent 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 against liability or loss as prescribed in accordance with the worker's compensation law of Georgia. The funds are to pay all costs taxed against the 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.

As a participant in the ACCG-GSIWCF that also provides claims administration and loss control services, the County has a \$200,000 loss retention. This program is accounted for in the General Fund.

Changes in the balances of worker's compensation claims through September 30, 2015, are as follows:

Unpaid claims, October 1, 2014	\$	355,520
Incurred claims		83,065
Claim payments		(298,861)
Adjustments		<u>287,555</u>
Unpaid claims, September 30, 2015	\$	<u>427,279</u>

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 16 – COMMITMENTS AND CONTINGENCIES

The County is party to various legal proceedings in the normal course of governmental operations. It is the opinion of the County’s management and legal counsel that these legal proceedings are not likely to have a material, adverse impact on the financial condition of the County.

NOTE 17 – SUBSEQUENT EVENTS

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through March 30, 2016, the date the financial statements were available to be issued.

NOTE 18 – CONTINGENT LIABILITY FOR BURKE COUNTY HOSPITAL AUTHORITY

Under an intergovernmental agreement, the County has agreed to guarantee the debt payments of the Hospital Authority of Burke County. The Hospital Authority’s recurring operating losses and negative net position and cash flows raise substantial doubt about its ability to continue as a going concern. It is expected that the County will have to make annual appropriations to the Hospital Authority to cover annual debt payments.

Total outstanding long-term debt for the Hospital Authority as of September 30, 2015 was \$6,104,499. Scheduled principal and interest payments on this long-term debt are as follows:

Year ending September 30,	Principal	Interest	Total
2016	1,350,000	198,162	1,548,162
2017	1,350,000	153,867	1,503,867
2018	1,350,000	110,113	1,460,113
2019	1,350,000	66,359	1,416,359
2020	704,499	22,420	726,919
	<u>\$6,104,499</u>	<u>\$550,921</u>	<u>\$6,655,420</u>

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 19 – PRIOR PERIOD ADJUSTMENTS

The following prior period adjustments were required for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 and to move capital assets, inventory, and operating liabilities related to vehicle and facilities maintenance to the appropriate internal service fund in the financial statements.

	<u>General Fund</u>
Fund balance, September 30, 2014, as previously reported	\$ 12,902,882
Restatement to move fleet inventory to the Vehicle Maintenance internal service fund	<u>(484,333)</u>
Fund balance, October 1, 2014, as restated	<u>\$ 12,418,549</u>

	<u>Vehicle Maintenance</u>	<u>Facilities Maintenance</u>	<u>Total Internal Service Funds</u>
Net position, September 30, 2014, as previously reported	-	-	-
Restatement to move fleet inventory from the General Fund	\$ 484,333	-	\$ 484,333
Restatement to move compensated absences to internal service funds	(11,256)	\$ (6,569)	(17,825)
Restatement to move capital assets to internal service funds	38,035	325,970	364,005
Restatement to record net pension liability as of October 1, 2014, as restated by actuary	(309,721)	(174,037)	(483,758)
Restatement to record deferred outflows of resources related to pensions as of October 1, 2014	<u>39,126</u>	<u>21,986</u>	<u>61,112</u>
Net position, October 1, 2014, as restated	<u>\$ 240,517</u>	<u>\$ 167,350</u>	<u>\$ 407,867</u>

	<u>Governmental Activities</u>	<u>Business-type Activities and Enterprise Funds</u>			<u>Total Primary Government</u>
		<u>Solid Waste Fund</u>	<u>Transit Fund</u>	<u>Total</u>	
Net position, September 30, 2014, as previously reported	\$ 56,091,915	-	-	-	\$ 56,091,915
Restatement to record net pension liability as of October 1, 2014, as restated by actuary	(5,463,518)	\$ (230,597)	\$ (63,597)	\$ (294,194)	(5,757,712)
Restatement to record deferred outflows of resources related to pensions as of October 1, 2014	<u>925,550</u>	<u>29,131</u>	<u>8,034</u>	<u>37,165</u>	<u>962,715</u>
Net position, October 1, 2014, as restated	<u>\$ 51,553,947</u>	<u>\$ (201,466)</u>	<u>\$ (55,563)</u>	<u>\$ (257,029)</u>	<u>\$ 51,296,918</u>

Component Units

The following entry was required for the Development Authority in accordance with GASB 68:

	<u>Development Authority</u>
Net position, September 30, 2014, as previously reported	\$ 6,561,558
Restatement to remove land inventory previously sold	(132,290)
Restatement to record net pension liability as of October 1, 2014, as restated by actuary	(44,896)
Restatement to record deferred outflows of resources related to pensions as of October 1, 2014	<u>5,672</u>
Net position, October 1, 2014, as restated	<u>\$ 6,390,044</u>

Beginning net position for the Health Department was decreased by \$603,503 to reflect the Health Department's pension related balances as of June 30, 2014.

BURKE COUNTY BOARD OF COMMISSIONERS
REQUIRED SUPPLEMENTARY INFORMATION
BURKE COUNTY DEFINED BENEFIT PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	2015 (1)
Total pension liability	
Service cost	\$ 629,361
Interest	1,844,208
Benefit Payments	(719,374)
Net change in total pension liability	1,754,195
Total pension liability-beginning	24,949,124
Total pension liability-ending (a)	\$ 26,703,319
Plan fiduciary net position	
Contributions-employer	\$ 1,029,499
Net investment income	1,232,806
Benefit Payments	(719,374)
Administrative expense	(57,294)
Other changes	(183,427)
Net change in plan fiduciary net position	1,302,210
Plan fiduciary net position-beginning	16,799,693
Plan fiduciary net position-ending (b)	\$ 18,101,903
Net pension liability-ending (a)-(b)	\$ 8,601,416
Plan fiduciary net position as a percentage of the total pension liability	67.8%
Covered-employee payroll	\$ 11,843,126
Net pension liability as a percentage of covered-employee payroll	72.6%

(1) Only fiscal year 2015 was available. The County will continue to present information for years available until a full 10-year trend is compiled.

BURKE COUNTY BOARD OF COMMISSIONERS
REQUIRED SUPPLEMENTARY INFORMATION
BURKE COUNTY DEFINED BENEFIT PLAN
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	2015
Actuarially determined contribution	*
Contributions in relation to the actuarially determined contribution	*
Contribution deficiency (excess)	*
Covered-employee payroll	*
Contributions as a percentage of covered-employee payroll	*

*2015 information will be determined after fiscal year end and will be included in the 2015 valuation report

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	N/A
Asset Valuation Method	Smoothed market value with a 5-year smoothing period

Actuarial Assumptions:

Net Investment Rate of Return	7.50%
Projected Salary Increases	4.50% plus an aged base scale ranging from -1.0% to 1.5%
Cost of Living Adjustments	N/A

Retirement Age	Probability of retirement calculated as 10% at age 55 to 60, 20% at age 61 to 64, 30% at age 65 to 69, and 100% at age 70
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Mortality	RP-2000 Combined
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BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Funds
ASSETS			
Cash	\$ 174,486	\$ 2,109,986	\$ 2,284,472
Accounts receivable	106,157	-	106,157
Due from other funds	94,325	3,300,000	3,394,325
Intergovernmental receivable	9,308	285,568	294,876
TOTAL ASSETS	\$ 384,276	\$ 5,695,554	\$ 6,079,830
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 40,345	\$ -	\$ 40,345
Accrued payroll	8,552	-	8,552
Unearned revenue	4,170	-	4,170
Due to other funds	95,321	-	95,321
Total liabilities	148,388	-	148,388
Fund balance:			
Restricted	235,888	2,395,554	2,631,442
Committed	-	3,300,000	3,300,000
Total fund balance	235,888	5,695,554	5,931,442
TOTAL LIABILITIES AND FUND BALANCE	\$ 384,276	\$ 5,695,554	\$ 6,079,830

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Funds
REVENUES			
Taxes	-	\$ 1,628,806	\$ 1,628,806
Charges for services	\$ 383,566	-	383,566
Fees, fines and forfeitures	141,031	-	141,031
Intergovernmental	131,557	-	131,557
Contributions and donations	2,700	-	2,700
Interest	131	7,342	7,473
Other	158,988	-	158,988
Total revenues	<u>817,973</u>	<u>1,636,148</u>	<u>2,454,121</u>
EXPENDITURES			
Current:			
Judicial	132,610	-	132,610
Public safety	592,704	-	592,704
Culture and recreation	111,588	-	111,588
Health and welfare	29,400	-	29,400
Capital outlay:			
Public safety	39,279	-	39,279
Public works	-	549,219	549,219
Total expenditures	<u>905,581</u>	<u>549,219</u>	<u>1,454,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>(87,608)</u>	<u>1,086,929</u>	<u>999,321</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	90,010	1,300,000	1,390,010
Transfers out	(22,000)	(147,340)	(169,340)
Total other financing sources (uses)	<u>68,010</u>	<u>1,152,660</u>	<u>1,220,670</u>
NET CHANGE IN FUND BALANCES	(19,598)	2,239,589	2,219,991
FUND BALANCES, BEGINNING OF YEAR	<u>255,486</u>	<u>3,455,965</u>	<u>3,711,451</u>
FUND BALANCES, END OF YEAR	<u>\$ 235,888</u>	<u>\$ 5,695,554</u>	<u>\$ 5,931,442</u>

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays.

T-SPLOST Fund – This fund accounts for capital transportation projects financed from T-SPLOST funds.

Other Capital Projects Fund – This fund accounts for financial resources to be used for the construction of a new Judicial Center.

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2015

	T-SPLOST Capital Projects Fund	Other Capital Projects Fund	Total Nonmajor Capital Projects Funds
ASSETS			
Cash	\$ 2,109,986	-	\$ 2,109,986
Due from other funds	-	\$ 3,300,000	3,300,000
Intergovernmental receivable	285,568	-	285,568
TOTAL ASSETS	<u>\$ 2,395,554</u>	<u>\$ 3,300,000</u>	<u>\$ 5,695,554</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Fund balance:			
Restricted	\$ 2,395,554	-	\$ 2,395,554
Committed	-	\$ 3,300,000	3,300,000
Total fund balance	<u>2,395,554</u>	<u>3,300,000</u>	<u>5,695,554</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,395,554</u>	<u>\$ 3,300,000</u>	<u>\$ 5,695,554</u>

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	T-SPLOST Capital Projects Fund	Other Capital Projects Fund	Total Nonmajor Capital Projects Funds
REVENUES			
Taxes	\$ 1,628,806	-	\$ 1,628,806
Interest	7,342	-	7,342
Total revenues	<u>1,636,148</u>	<u>-</u>	<u>1,636,148</u>
EXPENDITURES			
Capital outlay:			
Public works	549,219	-	549,219
Total expenditures	<u>549,219</u>	<u>-</u>	<u>549,219</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,086,929</u>	<u>-</u>	<u>1,086,929</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	\$ 1,300,000	1,300,000
Transfers out	(147,340)	-	(147,340)
Total other financing sources (uses)	<u>(147,340)</u>	<u>1,300,000</u>	<u>1,152,660</u>
NET CHANGE IN FUND BALANCES	939,589	1,300,000	2,239,589
FUND BALANCES, BEGINNING OF YEAR	<u>1,455,965</u>	<u>2,000,000</u>	<u>3,455,965</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,395,554</u>	<u>\$ 3,300,000</u>	<u>\$ 5,695,554</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for proceeds from specific revenue sources which are legally restricted to expenditures for specific purposes.

Law Library Fund – This fund is used to account for the revenues and expenditures associated with the law library of Burke County, which is available for public use.

Drug Enforcement Fund – This fund was established by the State of Georgia and is used to account for revenues and expenditures associated with the DARE program.

Drug Treatment and Education Fund – This fund was established by the State of Georgia and is used to account for revenues and expenditures associated with drug abuse treatment and education programs relating to controlled substances.

Public Library Fund – This fund is used to account for revenues and expenditures associated with the Burke County Library, which is available for public use.

Small Grants Fund – This fund is used to account for grant revenues not accounted for in another fund.

Emergency Telephone System Fund – This fund is used to account for collection of 911 phone surcharges used for operation and maintenance of the 911 phone system.

Jail Surcharge Fund – This fund is used to account for collection of fines that are to be used for jail maintenance and improvements.

Victims Assistance Fund – This fund is used to account for collection of fines that are to be used to assist Burke County residents who are the victim of violent crimes.

Supplemental Juvenile Services Fund – This fund is used to account for the collection of fines that are to be used for community treatment programs in the local courts.

Sheriff's Commissions Fund – This fund was established to account for funds received by the Sheriff's department for commissions on inmate telephone calls, commissary purchases, and snack sales.

Accountability Court Fund – This fund was established to account for funds received by the Accountability Court for participant fees and intergovernmental revenues used to provide program services to those ordered to attend the Accountability Court by the State Court for drug related offenses.

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2015

	Law Library Fund	Drug Enforcement Fund	Drug Treatment & Education Fund	Public Library Fund	Small Grants Fund	Emergency Telephone System Fund	Jail Surcharge Fund
ASSETS							
Cash	\$ 6,231	\$ 3,392	\$ 11,820	\$ 64,015	-	\$ 3,553	\$ 64,505
Accounts receivable	-	-	-	-	-	106,157	-
Due from other funds	-	-	-	-	\$ 4,793	-	-
Intergovernmental receivable	-	-	56	-	-	-	-
TOTAL ASSETS	\$ 6,231	\$ 3,392	\$ 11,876	\$ 64,015	\$ 4,793	\$ 109,710	\$ 64,505

LIABILITIES AND FUND BALANCE

Liabilities:							
Accounts payable	-	-	-	-	\$ 623	\$ 3,774	\$ 24,432
Accrued payroll	-	-	-	-	-	8,552	-
Unearned revenue	-	-	-	-	4,170	-	-
Due to other funds	-	-	-	-	-	95,321	-
Total liabilities	-	-	-	-	4,793	107,647	24,432
Fund balance:							
Restricted	\$ 6,231	\$ 3,392	\$ 11,876	\$ 64,015	-	2,063	\$ 40,073
Total fund balance	6,231	3,392	11,876	64,015	-	2,063	40,073
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,231	\$ 3,392	\$ 11,876	\$ 64,015	\$ 4,793	\$ 109,710	\$ 64,505

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2015

	Victims Assistance Fund	Supplemental Juvenile Services Fund	Sheriff's Commissions Fund	Accountability Court Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash	\$ 9,283	\$ 2,184	\$ 9,503	-	\$ 174,486
Accounts receivable	-	-	-	-	106,157
Due from other funds	-	-	82,865	\$ 6,667	94,325
Intergovernmental receivable	405	-	-	8,847	9,308
TOTAL ASSETS	\$ 9,688	\$ 2,184	\$ 92,368	\$ 15,514	\$ 384,276
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	\$ 250	\$ 8,277	\$ 2,989	\$ 40,345
Accrued payroll	-	-	-	-	8,552
Unearned revenue	-	-	-	-	4,170
Due to other funds	-	-	-	-	95,321
Total liabilities	-	250	8,277	2,989	148,388
Fund balance:					
Restricted	\$ 9,688	1,934	84,091	12,525	235,888
Total fund balance	9,688	1,934	84,091	12,525	235,888
TOTAL LIABILITIES AND FUND BALANCE	\$ 9,688	\$ 2,184	\$ 92,368	\$ 15,514	\$ 384,276

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Law Library Fund	Drug Enforcement Fund	Drug Treatment & Education & Fund	Public Library Fund	Small Grants Fund	Emergency Telephone System Fund	Jail Surcharge Fund
REVENUES							
Charges for services	-	-	-	\$ 7,699	-	\$ 375,867	-
Fees, fines and forfeitures	\$ 9,008	\$ 2,300	\$ 21,789	10,315	-	-	\$ 39,289
Intergovernmental	-	-	-	86,950	\$ 4,474	-	-
Contributions and donations	-	-	-	-	2,700	-	-
Interest	-	1	4	61	-	47	11
Other	-	-	-	14,152	-	-	-
Total revenues	<u>9,008</u>	<u>2,301</u>	<u>21,793</u>	<u>119,177</u>	<u>7,174</u>	<u>375,914</u>	<u>39,300</u>
EXPENDITURES							
Current:							
Judicial	9,233	-	-	-	-	-	-
Public safety	-	-	4,248	-	4,474	461,248	-
Culture and recreation	-	-	-	111,588	-	-	-
Health and welfare	-	-	-	-	2,700	-	-
Capital outlay:							
Public safety	-	-	-	-	-	-	39,279
Total expenditures	<u>9,233</u>	<u>-</u>	<u>4,248</u>	<u>111,588</u>	<u>7,174</u>	<u>461,248</u>	<u>39,279</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(225)</u>	<u>2,301</u>	<u>17,545</u>	<u>7,589</u>	<u>-</u>	<u>(85,334)</u>	<u>21</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	39,910	-
Transfers out	-	-	(22,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(22,000)</u>	<u>-</u>	<u>-</u>	<u>39,910</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(225)</u>	<u>2,301</u>	<u>(4,455)</u>	<u>7,589</u>	<u>-</u>	<u>(45,424)</u>	<u>21</u>
FUND BALANCES, BEGINNING OF YEAR	<u>6,456</u>	<u>1,091</u>	<u>16,331</u>	<u>56,426</u>	<u>-</u>	<u>47,487</u>	<u>40,052</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,231</u>	<u>\$ 3,392</u>	<u>\$ 11,876</u>	<u>\$ 64,015</u>	<u>\$ -</u>	<u>\$ 2,063</u>	<u>\$ 40,073</u>

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Victims Assistance Fund	Supplemental Juvenile Services Fund	Sheriff's Commissions Fund	Accountability Court Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Charges for services	-	-	-	-	\$ 383,566
Fees, fines and forfeitures	\$ 25,460	\$ 1,976	-	\$ 30,894	141,031
Intergovernmental	-	-	-	40,133	131,557
Contributions and donations	-	-	-	-	2,700
Interest	6	1	-	-	131
Other	-	-	\$ 144,836	-	158,988
Total revenues	<u>25,466</u>	<u>1,977</u>	<u>144,836</u>	<u>71,027</u>	<u>817,973</u>
EXPENDITURES					
Current:					
Judicial	-	2,250	-	121,127	132,610
Public safety	-	-	122,734	-	592,704
Culture and recreation	-	-	-	-	111,588
Health and welfare	26,700	-	-	-	29,400
Capital outlay:					
Public safety	-	-	-	-	39,279
Total expenditures	<u>26,700</u>	<u>2,250</u>	<u>122,734</u>	<u>121,127</u>	<u>905,581</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,234)</u>	<u>(273)</u>	<u>22,102</u>	<u>(50,100)</u>	<u>(87,608)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	50,100	90,010
Transfers out	-	-	-	-	(22,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,100</u>	<u>68,010</u>
NET CHANGE IN FUND BALANCES	<u>(1,234)</u>	<u>(273)</u>	<u>22,102</u>	<u>-</u>	<u>(19,598)</u>
FUND BALANCES, BEGINNING OF YEAR	<u>10,922</u>	<u>2,207</u>	<u>61,989</u>	<u>12,525</u>	<u>255,486</u>
FUND BALANCES, END OF YEAR	<u>\$ 9,688</u>	<u>\$ 1,934</u>	<u>\$ 84,091</u>	<u>\$ 12,525</u>	<u>\$ 235,888</u>

BURKE COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees, and forfeitures	\$ 9,000	\$ 9,008	\$ 8
EXPENDITURES			
Current:			
Judicial	40,000	9,233	30,767
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(31,000)	(225)	30,775
FUND BALANCES, BEGINNING OF YEAR	6,456	6,456	-
FUND BALANCES, END OF YEAR	\$ (24,544)	\$ 6,231	\$ 30,775

BURKE COUNTY, GEORGIA
DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Fines, fees and forfeitures	\$ 1,000	\$ 2,300	\$ 1,300
Interest	-	1	1
Total revenues	<u>1,000</u>	<u>2,301</u>	<u>1,301</u>
EXPENDITURES			
Current:			
Public safety	<u>1,250</u>	<u>-</u>	<u>1,250</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(250)	2,301	2,551
FUND BALANCES, BEGINNING OF YEAR	<u>1,091</u>	<u>1,091</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 841</u>	<u>\$ 3,392</u>	<u>\$ 2,551</u>

BURKE COUNTY, GEORGIA
DRUG TREATMENT & EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	\$ 16,000	\$ 21,789	\$ 5,789
Interest	-	4	4
Total revenues	<u>16,000</u>	<u>21,793</u>	<u>5,793</u>
EXPENDITURES			
Current:			
Public safety	4,000	4,248	(248)
Total expenditures	<u>4,000</u>	<u>4,248</u>	<u>(248)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,000	17,545	5,545
OTHER FINANCING USES			
Transfers out	<u>(29,000)</u>	<u>(22,000)</u>	<u>7,000</u>
NET CHANGE IN FUND BALANCES	(17,000)	(4,455)	12,545
FUND BALANCES, BEGINNING OF YEAR	<u>16,331</u>	<u>16,331</u>	-
FUND BALANCES, END OF YEAR	<u>\$ (669)</u>	<u>\$ 11,876</u>	<u>\$ 12,545</u>

BURKE COUNTY, GEORGIA
PUBLIC LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 85,700	\$ 86,950	\$ 1,250
Charges for services	6,500	7,699	1,199
Fines	9,550	10,315	765
Donations	1,500	-	(1,500)
Interest	150	61	(89)
Other	2,200	14,152	11,952
Total revenues	105,600	119,177	13,577
EXPENDITURES			
Current:			
Culture and recreation	109,200	111,588	(2,388)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,600)	7,589	11,189
FUND BALANCES, BEGINNING OF YEAR	56,426	56,426	-
FUND BALANCES, END OF YEAR	\$ 52,826	\$ 64,015	\$ 11,189

BURKE COUNTY, GEORGIA
SMALL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ 12,727	\$ 16,227	\$ 4,474	\$ (11,753)
Donations	2,500	2,500	2,700	200
Total revenues	<u>15,227</u>	<u>18,727</u>	<u>7,174</u>	<u>(11,553)</u>
EXPENDITURES				
Current:				
Public safety	12,727	16,227	4,474	11,753
Health and welfare	2,500	2,500	2,700	(200)
Total expenditures	<u>15,227</u>	<u>18,727</u>	<u>7,174</u>	<u>11,553</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BURKE COUNTY, GEORGIA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 390,000	\$ 375,867	\$ (14,133)
Interest	50	47	(3)
Total revenues	<u>390,050</u>	<u>375,914</u>	<u>(14,136)</u>
EXPENDITURES			
Current:			
Public safety	<u>480,960</u>	<u>461,248</u>	<u>19,712</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(90,910)	(85,334)	5,576
OTHER FINANCING SOURCES			
Transfers in	<u>39,910</u>	<u>39,910</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(51,000)	(45,424)	5,576
FUND BALANCES, BEGINNING OF YEAR	<u>47,487</u>	<u>47,487</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ (3,513)</u>	<u>\$ 2,063</u>	<u>\$ 5,576</u>

BURKE COUNTY, GEORGIA
JAIL SURCHARGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	\$ 30,000	\$ 39,289	\$ 9,289
Interest	20	11	(9)
Total revenues	<u>30,020</u>	<u>39,300</u>	<u>9,280</u>
EXPENDITURES			
Capital outlay:			
Public safety	<u>78,020</u>	<u>39,279</u>	<u>38,741</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(48,000)	21	48,021
FUND BALANCES, BEGINNING OF YEAR	<u>40,052</u>	<u>40,052</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ (7,948)</u></u>	<u><u>\$ 40,073</u></u>	<u><u>\$ 48,021</u></u>

BURKE COUNTY, GEORGIA
VICTIMS ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	\$ 20,000	\$ 25,460	\$ 5,460
Interest	-	6	6
Total revenues	<u>20,000</u>	<u>25,466</u>	<u>5,466</u>
EXPENDITURES			
Current:			
Health and welfare	<u>26,700</u>	<u>26,700</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,700)	(1,234)	5,466
FUND BALANCES, BEGINNING OF YEAR	<u>10,922</u>	<u>10,922</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,222</u>	<u>\$ 9,688</u>	<u>\$ 5,466</u>

BURKE COUNTY, GEORGIA
SUPPLEMENTAL JUVENILE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	\$ 12,000	\$ 1,976	\$ (10,024)
Interest	-	1	1
Total revenues	<u>12,000</u>	<u>1,977</u>	<u>(10,023)</u>
EXPENDITURES			
Current:			
Judicial	<u>12,000</u>	<u>2,250</u>	<u>9,750</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(273)	(273)
FUND BALANCES, BEGINNING OF YEAR	<u>2,207</u>	<u>2,207</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,207</u>	<u>\$ 1,934</u>	<u>\$ (273)</u>

BURKE COUNTY, GEORGIA
SHERIFF'S COMMISSIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Vendor commissions	\$ 40,000	\$ 170,000	\$ 144,836	\$ (25,164)
EXPENDITURES				
Current:				
Public safety	40,000	170,000	122,734	47,266
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	22,102	22,102
FUND BALANCES, BEGINNING OF YEAR	61,989	61,989	61,989	-
FUND BALANCES, END OF YEAR	<u>\$ 61,989</u>	<u>\$ 61,989</u>	<u>\$ 84,091</u>	<u>\$ 22,102</u>

BURKE COUNTY, GEORGIA
ACCOUNTABILITY COURTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fines, fees and forfeitures	\$ 30,000	\$ 30,000	\$ 30,894	\$ 894
Intergovernmental	33,675	43,275	40,133	(3,142)
Total revenues	<u>63,675</u>	<u>73,275</u>	<u>71,027</u>	<u>(2,248)</u>
EXPENDITURES				
Current:				
Judicial	<u>137,275</u>	<u>137,275</u>	<u>121,127</u>	<u>16,148</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(73,600)	(64,000)	(50,100)	13,900
OTHER FINANCING USES				
Transfers in	<u>73,600</u>	<u>64,000</u>	<u>50,100</u>	<u>(13,900)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>12,525</u>	<u>12,525</u>	<u>12,525</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 12,525</u></u>	<u><u>\$ 12,525</u></u>	<u><u>\$ 12,525</u></u>	<u><u>\$ -</u></u>

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the government on a cost reimbursement basis.

Vehicle Maintenance Fund – This fund is used to account for maintenance costs of County vehicles.

Facilities Maintenance Fund – This fund is used to account for allocation of costs associated with operations and maintenance of County buildings.

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2015

	Vehicle Maintenance	Facilities Maintenance	Total
ASSETS			
Current Assets:			
Interfund receivable	\$ 367,089	\$ 198,369	\$ 565,458
Inventory	453,516	-	453,516
Total current assets	<u>820,605</u>	<u>198,369</u>	<u>1,018,974</u>
Noncurrent Assets:			
Capital Assets			
Buildings and improvements	-	506,251	506,251
Machinery and equipment	199,865	269,706	469,571
Less accumulated depreciation	(162,244)	(407,895)	(570,139)
Total Capital Assets	<u>37,621</u>	<u>368,062</u>	<u>405,683</u>
Total Assets	<u>858,226</u>	<u>566,431</u>	<u>1,424,657</u>
DEFERRED OUTFLOWS OF RESOURCES			
Resources related to pensions	<u>44,874</u>	<u>25,215</u>	<u>70,089</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	70,505	32,218	102,723
Accrued payroll	14,558	7,677	22,235
Compensated absences payable	1,184	570	1,754
Total Current Liabilities	<u>86,247</u>	<u>40,465</u>	<u>126,712</u>
Long-Term Liabilities:			
Compensated absences payable (net of current portion)	10,655	5,128	15,783
Net pension obligation	326,900	183,689	510,589
Total Long-Term Liabilities	<u>337,555</u>	<u>188,817</u>	<u>526,372</u>
Total Liabilities	<u>423,802</u>	<u>229,282</u>	<u>653,084</u>
NET POSITION			
Investment in capital assets	37,621	368,062	405,683
Unrestricted	441,677	(5,698)	435,979
Total Net Position	<u>\$ 479,298</u>	<u>\$ 362,364</u>	<u>\$ 841,662</u>

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Vehicle Maintenance</u>	<u>Facilities Maintenance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	<u>\$ 2,081,292</u>	<u>\$ 686,026</u>	<u>\$ 2,767,318</u>
OPERATING EXPENSES			
Salaries	466,097	252,597	718,694
Employee benefits	185,830	94,129	279,959
Purchased services	91,781	127,824	219,605
Materials and supplies	1,360,868	136,084	1,496,952
Depreciation	<u>8,530</u>	<u>32,429</u>	<u>40,959</u>
TOTAL OPERATING EXPENSES	<u>2,113,106</u>	<u>643,063</u>	<u>2,756,169</u>
TOTAL OPERATING INCOME (LOSS)	(31,814)	42,963	11,149
TRANSFERS IN (OUT)	<u>270,595</u>	<u>152,051</u>	<u>422,646</u>
CHANGE IN NET POSITION	238,781	195,014	433,795
NET POSITION, BEGINNING OF YEAR, AS RESTATED	<u>240,517</u>	<u>167,350</u>	<u>407,867</u>
NET POSITION, END OF YEAR	<u><u>\$ 479,298</u></u>	<u><u>\$ 362,364</u></u>	<u><u>\$ 841,662</u></u>

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Vehicle Maintenance	Facilities Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund charges	\$ 1,771,737	\$ 520,022	\$ 2,291,759
Cash payments to employees for salaries and benefits	(638,159)	(340,439)	(978,598)
Cash payments for goods and services	(1,396,057)	(257,113)	(1,653,170)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(262,479)	(77,530)	(340,009)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund transfers	270,595	152,051	422,646
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(8,116)	(74,521)	(82,637)
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (31,814)	\$ 42,963	\$ 11,149
Depreciation	8,530	32,429	40,959
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) decrease in assets:			
Interfund receivables	(309,555)	(166,004)	(475,559)
Inventory	30,817	-	30,817
(Increase) decrease in deferred outflows of resources - resources related to pensions	(5,748)	(3,229)	(8,977)
Increase (decrease) in operating liabilities:			
Accounts payable	25,775	6,795	32,570
Accrued payroll	1,754	735	2,489
Compensated absences payable	583	(871)	(288)
Net pension obligation	17,179	9,652	26,831
Total cash provided (used) by operating activities	\$ (262,479)	\$ (77,530)	\$ (340,009)

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets when a governmental unit is functioning either as a trustee or as an agent for another party. Because the County is functioning in a fiduciary capacity, the authority to employ, dispose of, or otherwise use the assets is determined not by a legislative body or oversight board, but by the public laws and private agreements that created the trustee or agency relationship.

Sheriff Fund – This fund is used to account for all monies received by the Sheriff's department on behalf of individuals, private organizations, other governmental units, and other funds.

Tax Commissioner Fund – This fund is used to account for the collection of various taxes, including property taxes, and the payment to Burke County and other taxing units of the various taxes collected on their behalf.

Clerk of Superior Court Fund – This fund is used to account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

Probate Court Fund – This fund is used to account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Magistrate Court Fund – This fund is used to account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2015

	<u>Tax Commissioner</u>	<u>Probate Court</u>	<u>Clerk of Courts</u>	<u>Magistrate Court</u>	<u>Sheriff</u>	<u>Total</u>
ASSETS						
Cash	<u>\$ 542,035</u>	<u>\$ -</u>	<u>\$ 109,008</u>	<u>\$ 115</u>	<u>\$ 52,624</u>	<u>\$ 703,782</u>
LIABILITIES						
Due to other entities and individuals	<u>\$ 542,035</u>	<u>\$ -</u>	<u>\$ 109,008</u>	<u>\$ 115</u>	<u>\$ 52,624</u>	<u>\$ 703,782</u>

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
Tax Commissioner				
Assets				
Cash	\$ 680,382	\$ 62,885,626	\$ 63,023,973	\$ 542,035
Liabilities				
Due to other entities and individuals	\$ 680,382	\$ 62,885,626	\$ 63,023,973	\$ 542,035
Probate Court				
Assets				
Cash	\$ -	\$ 52,874	\$ 52,874	\$ -
Liabilities				
Due to other entities and individuals	\$ -	\$ 52,874	\$ 52,874	\$ -
Clerk of Courts				
Assets				
Cash	\$ 104,819	\$ 1,008,688	\$ 1,004,499	\$ 109,008
Liabilities				
Due to other entities and individuals	\$ 104,819	\$ 1,008,688	\$ 1,004,499	\$ 109,008
Magistrate Court				
Assets				
Cash	\$ 52	\$ 240,859	\$ 240,796	\$ 115
Liabilities				
Due to other entities and individuals	\$ 52	\$ 240,859	\$ 240,796	\$ 115
Sheriff				
Assets				
Cash	\$ 48,300	\$ 430,070	\$ 425,746	\$ 52,624
Liabilities				
Due to other entities and individuals	\$ 48,300	\$ 430,070	\$ 425,746	\$ 52,624
Total Agency Funds				
Assets				
Cash	\$ 833,553	\$ 64,618,117	\$ 64,747,888	\$ 703,782
Liabilities				
Due to other entities and individuals	\$ 833,553	\$ 64,618,117	\$ 64,747,888	\$ 703,782

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

SPLOST II Fund

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		Total	Estimated Percentage of Completion
			Prior Years	Current Year		
Burke County						
Recreation facility	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	-	\$ 1,000,000	100%
Industrial park	1,000,000	1,070,195	1,070,195	-	1,070,195	100%
Building construction and renovations	1,500,000	1,500,000	1,500,000	-	1,500,000	100%
Hospital projects	1,500,000	2,633,201	2,633,201	-	2,633,201	100%
Roads, streets, and bridges	5,257,673	8,318,975	6,935,085	\$ 1,318,805	8,253,890	99%
Waynesboro						
Water, sewer, and storm drainage system/building renovations	4,301,605	6,057,064	6,057,064	-	6,057,064	100%
Sardis						
Capital equipment/building renovation/ streets, drainage, and sidewalks	992,000	1,397,783	1,397,783	-	1,397,783	100%
Midville						
Building renovations/water and sewer improvements and equipment	496,339	698,893	698,893	-	698,893	100%
Keysville						
Water system improvements/building renovations	330,893	465,925	465,925	-	465,925	100%
Girard						
Building renovations/equipment shed/ holiday decorations/walking path	165,446	232,964	232,964	-	232,964	100%
	<u>\$ 16,543,956</u>	<u>\$ 23,375,000</u>	<u>\$ 21,991,110</u>	1,318,805	<u>\$ 23,309,915</u>	<u>100%</u>
				662,041		
				191,979		
				<u>\$ 2,172,825</u>		

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

SPLOST III Fund

Project	Original Estimated Cost	Expenditures		Total	Estimated Percentage of Completion
		Prior Years	Current Year		
Countywide projects					
Judicial center	\$ 15,000,000	\$ 212,076	\$ 1,521,335	\$ 1,733,411	12%
Jail addition	2,000,000	-	-	-	0%
Burke County					
EOC/911 center	2,000,000	25,789	625,740	651,529	33%
Recreation improvements	1,000,000	166,754	113,958	280,712	28%
Industrial Park expansion	2,500,000	618,582	249,394	867,976	35%
Building construction and renovations	1,500,000	-	195,773	195,773	13%
Airport projects	200,000	26,385	(343)	26,042	13%
Roads and bridges projects and equipment	8,040,000	672,069	258,842	930,911	12%
Firetrucks	1,500,000	-	-	-	0%
Ambulances	600,000	-	-	-	0%
Patrol cars	500,000	110,907	31,373	142,280	28%
Water and sewer improvements	6,000,000	-	-	-	0%
Landfill building projects	340,000	304,238	10,587	314,825	93%
Waynesboro					
Water & sewer improvements, roads, streets, sidewalks, drainage improvements, buildings, patrol vehicles and utility equipment	10,140,000	2,508,966	1,011,542	3,520,508	35%
Sardis					
Water, sewer, and street improvements, recreation and beautification projects, capital equipment	2,340,000	578,991	233,433	812,424	35%
Midville					
Water and sewer system improvements, street improvements and major equipment, major police equipment, City Hall equipment, Community House improvements	1,170,000	289,496	116,716	406,212	35%
Keyville					
Water and sewer system projects, Multi- purpose building project, street & drainage improvements and equipment	780,000	192,997	77,811	270,808	35%
Girard					
Waterworks improvements, building renovations and additions, street and sidewalk improvements	390,000	96,498	38,905	135,403	35%
	<u>\$ 56,000,000</u>	<u>\$ 5,803,748</u>	<u>4,485,066</u>	<u>\$ 10,288,814</u>	<u>18%</u>
			Transfers out to solid waste enterprise fund (10,587)		
			Airport projects funded by federal and state grant funds 24,584		
			Roads, streets, and bridge costs funded by state LMIG program 670,060		
			<u>SPLOST III fund total expenditures</u>	<u>\$ 5,169,123</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
Burke County, Georgia

We have audited, 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, 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 Burke County, Georgia, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Burke County, Georgia's basic financial statements and have issued our report thereon dated March 30, 2016. Our report includes a reference to other auditors who audited the financial statements of the Burke County Board of Health (Health Department) and the Burke County Hospital Authority, discretely presented component units, as described in our report on Burke 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 Burke 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 Burke County's internal control. Accordingly, we do not express an opinion on the effectiveness of Burke County, Georgia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal

control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Lanier, Westerfield, Chab + Proctor

Statesboro, Georgia
March 30, 2016