

BURKE COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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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, 2016, 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 1.2% and .4%, 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 1.2% and .4%, 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) 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. Because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the aggregate discretely presented component units.

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.

Except for the matter described in the "Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units" paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Disclaimer
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units

The financial statements of the Burke County Hospital Authority have not been audited, and we were not engaged to audit the Burke County Hospital Authority's financial statements as part of our audit of the County's basic financial statements. Burke County Hospital Authority's financial activities are not included in the County's basic financial statements as a discretely presented component unit because financial information was not available.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units of Burke County, Georgia. Accordingly, we do not express an opinion on these financial statements.

Unmodified 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, each major fund, and the aggregate remaining fund information of Burke County, Georgia as of September 30, 2016, 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.

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 6 through 14 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 24, 2017, 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, Carl & Tractor

Statesboro, Georgia
March 24, 2017

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, 2016 and 2015. 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. Financial statements were unavailable from 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 \$69 million and \$60.6 million as of September 30, 2016 and September 30, 2015, respectively.

The largest portion of Burke County's net position, 56.8% in 2016 and 62.1% in 2015, 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, 2016 and 2015

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 43,590,297	\$ 35,764,057	\$ (69,935)	\$ (5,214)	\$ 43,520,362	\$ 35,758,843
Capital assets	36,866,893	35,323,544	2,367,272	2,269,496	39,234,165	37,593,040
Total assets	80,457,190	71,087,601	2,297,337	2,264,282	82,754,527	73,351,883
Deferred Outflows of Resources						
Resources related to pensions	3,829,708	1,131,600	139,921	42,624	3,969,629	1,174,224
Long-term liabilities outstanding	12,245,759	8,727,943	2,328,776	2,210,581	14,574,535	10,938,524
Other liabilities	3,013,359	2,923,313	108,482	96,325	3,121,841	3,019,638
Total liabilities	15,259,118	11,651,256	2,437,258	2,306,906	17,696,376	13,958,162
Net position:						
Invested in capital assets	36,866,893	35,323,544	2,367,272	2,269,496	39,234,165	37,593,040
Restricted for:						
Capital projects	18,696,091	14,938,609	-	-	18,696,091	14,938,609
Other purposes	3,661,697	2,856,041	-	-	3,661,697	2,856,041
Unrestricted	9,803,099	7,449,751	(2,367,272)	(2,269,496)	7,435,827	5,180,255
Total net position	\$ 69,027,780	\$ 60,567,945	\$ -	\$ -	\$ 69,027,780	\$ 60,567,945

The balance of unrestricted net position, 10.8% in 2016 and 8.5% in 2015, may be used to meet the Government's ongoing obligations to citizens and creditors.

The Government's net position increased by \$8,459,835 and \$9,271,027 during the fiscal years ended September 30, 2016 and 2015, respectively.

Governmental activities

Governmental activities increased Burke County's net position by \$8,459,835 in 2016 and \$9,013,998 in 2015 thereby accounting for 100% in 2016 and 97.2% in 2015 of the total change in the net position of Burke County. The key factor for 2016 and 2015 was an increase in the tax digest.

Business-type activities

Business-type activities increased Burke County's net position by \$0 in 2016 and \$257,029 in 2015, accounting for 0% in 2016 and 2.8% in 2015 of the total change in the government's net position.

**Burke County's Changes in Net Position
September 30, 2016 and 2015**

	Governmental Activities		Business-type Activities		Total	
	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Revenues:						
Program revenues:						
Fees, Fines, and Charges for services	\$ 4,418,649	\$ 3,804,738	\$ 723,000	\$ 746,625	\$ 5,141,649	\$ 4,551,363
Operating grants and contributions	467,872	341,124	62,949	62,672	530,821	403,796
Capital grants and contributions	704,020	1,377,162	75,026	-	779,046	1,377,162
General revenues:						
Property taxes	25,429,637	23,662,357	-	-	25,429,637	23,662,357
Other taxes	12,704,256	12,162,542	-	-	12,704,256	12,162,542
Other	255,541	139,306	-	-	255,541	139,306
Total revenues	43,979,975	41,487,229	860,975	809,297	44,840,950	42,296,526
Expenses:						
General government	2,455,698	2,261,814	-	-	2,455,698	2,261,814
Judicial	2,004,927	2,058,348	-	-	2,004,927	2,058,348
Public safety	14,469,972	13,657,743	-	-	14,469,972	13,657,743
Culture and recreation	1,708,266	1,606,750	-	-	1,708,266	1,606,750
Health and welfare	5,374,293	3,294,670	-	-	5,374,293	3,294,670
Public works	7,221,578	7,074,332	-	-	7,221,578	7,074,332
Housing and development	1,122,155	1,165,754	-	-	1,122,155	1,165,754
Interest on long-term debt	-	-	-	-	-	-
Solid Waste	-	-	1,761,425	1,657,347	1,761,425	1,657,347
Transit	-	-	340,748	359,140	340,748	359,140
Total expenses	34,356,889	31,119,411	2,102,173	2,016,487	36,459,062	33,135,898
Change in net position before transfers	9,623,086	10,367,818	(1,241,198)	(1,207,190)	8,381,888	9,160,628
Gain (Loss) on sale of capital assets	67,999	34,412	9,948	75,987	77,947	110,399
Transfers	(1,231,250)	(1,388,232)	1,231,250	1,388,232	-	-
Increase (Decrease) in net position	8,459,835	9,013,998	-	257,029	8,459,835	9,271,027
Net position, beginning of year	60,567,945	56,091,915	-	-	60,567,945	56,091,915
Prior Period Adjustment for pension	-	(4,537,968)	-	(257,029)	-	(4,794,997)
Net position, beg of year, as restated	60,567,945	51,553,947	-	(257,029)	60,567,945	51,296,918
Net position, end of year	\$ 69,027,780	\$ 60,567,945	\$ -	\$ -	\$ 69,027,780	\$ 60,567,945

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 \$40 million in 2016 and \$32 million in 2015, of which \$15.7 million in 2016, or 39.6% and \$13 million in 2015, or 40.8%, 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 \$15.7 million in 2016 and \$13 million in 2015, while total fund balance was \$17.3 million in 2016 and \$14.2 million in 2015. 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 67.6% in 2016 and 58.3% in 2015 of total General Fund expenditures and net transfers out. Total fund balance represents 74.6% in 2016 and 63.4% in 2015 of that same amount.

The fund balance of Burke County's General Fund increased by \$3,179,195 and \$1,742,658 during the fiscal years ended September 30, 2016 and 2015, respectively. The key factor in the change was increased property tax revenues in 2016 and 2015.

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 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 \$1,903,116 in 2016 and \$1,112,965 in 2015 was due to the timing difference of collections versus expenditures as some major projects, such as the new Judicial Center, 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 \$717,050 in 2016 and \$386,493 in 2015 due primarily to increased property tax revenues in 2016 and 2015.

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, 2016 and 2015, respectively. Net position in the Burke Transit Fund amounted to \$0 for the fiscal years ended September 30, 2016 and 2015, respectively. The total change in net position in the Solid Waste Fund was \$0 in 2016 and \$201,466 in 2015. The total change in net position in the Burke Transit Fund was \$0 for the fiscal year ended September 30, 2016 and \$55,563 in 2015, respectively. The Government's internal service funds, Vehicle Maintenance Fund and Facility Maintenance Fund, had a net position of \$841,662 in 2016 and \$841,662 in 2015 and total growth in net position of \$0 in 2016 and \$433,795 during 2015. 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 2016, the only difference between the original budget and the final amended budget was an increase in donations for \$3,000 and a corresponding increase in the County Extension Service's budget of \$3,000 to account for a donation of cash used to purchase a trailer. Actual revenues were \$1,288,093 over budget primarily due to sales tax revenues coming in over budget by \$515,029 and Licenses and permits exceeding budget by \$562,209 due to a major permitting project completed in 2016 in the County. Actual expenditures were \$2,516,796 under budget (budget basis), primarily the result of no unexpected major expenditures occurring during the fiscal year that would have caused a use of contingency funds.

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.

Capital Assets and Debt Administration

Burke County's investment in capital assets for its governmental and business-type activities as of September 30, 2016 and 2015 amounted to \$39,234,165 and \$37,593,040, 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 2016 included the following:

- SPLOST-funded portion of road construction and equipment in the amount of \$907,757
- General fund-funded portion of road construction in the amount of \$130,788
- SPLOST-funded purchase of patrol cars of \$67,147
- General fund-funded purchase of patrol cars of \$267,989
- SPLOST-funded improvements of land and grading for future development of an EOC in the amount of \$576,838
- SPLOST-funded recreation improvements in the amount of \$28,300
- Local Maintenance & Improvement Grant-funded portion of road construction in the amount of \$658,274
- TSPLOST-funded road resurfacing projects and equipment in the amount of \$819,492
- SPLOST fund purchase of a firetruck in the amount of \$241,999
- Fire fund purchase of a firetruck for \$241,999
- SPLOST-funded renovations to various County buildings in the amount of \$355,232

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

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, 2016 and 2015

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Construction in progress	\$ 774,331	\$ 799,514	-	-	\$ 774,331	\$ 799,514
Land	3,594,933	3,594,933	\$ 1,037,752	\$ 1,037,752	4,632,685	4,632,685
Buildings	10,214,213	10,251,882	354,719	364,204	10,568,932	10,616,086
Improvements	-	-	30,412	36,410	30,412	36,410
Equipment	4,433,853	3,739,820	944,389	831,130	5,378,242	4,570,950
Infrastructure	17,849,563	16,937,395	-	-	17,849,563	16,937,395
Total	<u>\$ 36,866,893</u>	<u>\$ 35,323,544</u>	<u>\$ 2,367,272</u>	<u>\$ 2,269,496</u>	<u>\$ 39,234,165</u>	<u>\$ 37,593,040</u>

Long-Term Debt

Burke County had a total of \$14,647,059 in outstanding long-term debt as of September 30, 2016 and \$10,994,587 in outstanding long-term debt as of September 30, 2015. 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, 2016 and 2015. There were no bonds issued during 2016 or 2015.

Burke County's Outstanding Debt
General Obligation Bonds and Other Debt
September 30, 2016 and 2015

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Accrued compensated absences	\$ 514,492	\$ 538,249	\$ 20,877	\$ 22,384	\$ 535,369	\$ 560,633
Net pension obligation	11,782,716	8,243,519	430,249	310,510	12,212,965	8,554,029
Landfill closure costs	-	-	1,898,725	1,879,925	1,898,725	1,879,925
Total debt	<u>\$ 12,297,208</u>	<u>\$ 8,781,768</u>	<u>\$ 2,349,851</u>	<u>\$ 2,212,819</u>	<u>\$ 14,647,059</u>	<u>\$ 10,994,587</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 \$330 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. Principal payments of \$1,500,000 have been made by the Hospital Authority each of the past three 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 2016 Fiscal Year saw a continued robust local economy. The property tax digest grew by more than \$500 million. Construction at Plant Vogtle of two new nuclear reactors is halfway complete and the influx of construction workers helped our economy to grow. While we had one local plant close this year; other plants increased employment to more than offset the lost jobs. 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 2017 is showing a growth in the General Fund of 4% and the revenues are adequate to maintain all the departments of the County. The Commissioners have lowered the millage rate for the General Fund by 1%. The Fire Fund remained essentially at the same millage rate. The Board has also committed to assisting the Burke County Hospital Authority with its operating shortfall as well as its debt service. The SPLOST fund shows a significant increase in the annual budget as the new Judicial Center will be under construction in FY 17. The County will have sufficient funds to cover the estimated \$13,000,000 construction costs for the Judicial Center project without having to go into debt. 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, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Health Department	Development Authority
ASSETS					
Current Assets:					
Cash	\$ 4,301,417	-	\$ 4,301,417	\$ 419,495	\$ 1,612,532
Investments	36,044,578	-	36,044,578	436,838	750,000
Funds held in escrow	-	-	-	-	-
Receivables:					
Taxes	1,349,395	-	1,349,395	-	-
Intergovernmental	978,408	\$ 10,246	988,654	76,490	44,753
Internal balances	211,180	(211,180)	-	-	-
Other	155,185	130,999	286,184	11,396	1,612
Prepaid items	110,945	-	110,945	-	-
Inventories	439,189	-	439,189	-	-
Total Current Assets	43,590,297	(69,935)	43,520,362	944,219	2,408,897
Restricted Cash	-	-	-	-	-
Capital Assets:					
Nondepreciable capital assets	4,369,264	1,037,752	5,407,016	-	4,517,951
Depreciable capital assets, net	32,497,629	1,329,520	33,827,149	19,267	113,408
Total Capital Assets	36,866,893	2,367,272	39,234,165	19,267	4,631,359
Other Assets	-	-	-	-	-
Total Assets	80,457,190	2,297,337	82,754,527	963,486	7,040,256
DEFERRED OUTFLOWS OF RESOURCES					
Resources related to pensions	3,829,708	139,921	3,969,629	117,535	38,152
LIABILITIES					
Current Liabilities:					
Accounts payable	1,988,500	72,040	2,060,540	-	36,116
Intergovernmental payable	310,046	-	310,046	26,540	195,252
Accrued payroll	477,807	15,367	493,174	-	4,090
Retirement contributions payable	181,558	-	181,558	-	-
Unearned revenue	3,999	-	3,999	16,227	-
Compensated absences payable	51,449	2,088	53,537	-	368
Accrued landfill closure and postclosure care costs	-	18,987	18,987	-	-
Total Current Liabilities	3,013,359	108,482	3,121,841	42,767	235,826
Long-Term Liabilities:					
Net pension obligation	11,782,716	430,249	12,212,965	651,546	118,281
Compensated absences payable (net of current portion)	463,043	18,789	481,832	32,713	3,308
Accrued landfill closure and postclosure care costs (net of current portion)	-	1,879,738	1,879,738	-	-
Total Long-Term Liabilities	12,245,759	2,328,776	14,574,535	684,259	121,589
Total Liabilities	15,259,118	2,437,258	17,696,376	727,026	357,415
DEFERRED INFLOWS OF RESOURCES					
Resources related to pensions	-	-	-	52,216	-
NET POSITION					
Investment in capital assets	36,866,893	2,367,272	39,234,165	19,267	4,631,359
Restricted for:					
Capital projects	18,696,091	-	18,696,091	-	-
Other purposes	3,661,697	-	3,661,697	-	-
Unrestricted	9,803,099	(2,367,272)	7,435,827	282,512	2,089,634
Total Net Position	\$ 69,027,780	\$ -	\$ 69,027,780	\$ 301,779	\$ 6,720,993

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Program Revenues				Net (Expense) Revenue and Changes in Net Position				
Program/Function	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units	
					Governmental Activities	Business-type Activities	Health Department	Development Authority
Primary Government								
Governmental Activities								
General government	\$ 2,455,698	\$ 1,055,174	\$ 120,238	-	\$ (1,280,286)	-	\$ (1,280,286)	-
Judicial	2,004,927	284,447	71,164	-	(1,649,316)	-	(1,649,316)	-
Public safety	14,469,972	2,262,702	73,860	-	(12,133,410)	-	(12,133,410)	-
Public works	7,221,578	-	-	\$ 704,020	(6,517,558)	-	(6,517,558)	-
Health and welfare	5,374,293	-	94,485	-	(5,279,808)	-	(5,279,808)	-
Culture and recreation	1,708,266	152,492	87,050	-	(1,468,724)	-	(1,468,724)	-
Housing and development	1,122,155	663,834	21,075	-	(437,246)	-	(437,246)	-
Interest	-	-	-	-	-	-	-	-
Total governmental activities	34,356,889	4,418,649	467,872	704,020	(28,766,348)	-	(28,766,348)	-
Business-type Activities								
Solid Waste	1,761,425	599,560	-	-	-	\$ (1,161,865)	(1,161,865)	-
Transit	340,748	123,440	62,949	75,026	-	(79,333)	(79,333)	-
Total business-type activities	2,102,173	723,000	62,949	75,026	-	(1,241,198)	(1,241,198)	-
Total - Primary Government	\$ 36,459,062	\$ 5,141,649	\$ 530,821	\$ 779,046	(28,766,348)	(1,241,198)	(30,007,546)	-
Component Units:								
Burke County Board of Health	\$ 740,555	\$ 216,415	\$ 543,672	-	-	\$ 19,532	\$ -	\$ 22,412
Development Authority of Burke County	461,351	20,875	200,000	\$ 262,888	-	-	-	-
Total Component Units	\$ 1,201,906	\$ 237,290	\$ 743,672	\$ 262,888	-	19,532	19,532	22,412
General Revenues								
Property taxes levied for:								
General purposes					18,194,350	-	18,194,350	-
Fire protection					7,235,287	-	7,235,287	-
Sales taxes					11,601,775	-	11,601,775	-
Insurance premium tax					867,142	-	867,142	-
Other taxes					235,339	-	235,339	-
Interest earned					77,513	-	77,513	4,300
Miscellaneous					178,028	-	178,028	6,250
Gain on sale of capital assets					67,999	9,948	77,947	-
Total General Revenues					38,457,433	9,948	38,467,381	10,550
Transfers					(1,231,250)	1,231,250	-	-
Total General Revenues and Transfers					37,226,183	1,241,198	38,467,381	10,550
Change in Net Position					8,459,835	-	8,459,835	32,962
Net Position, Beginning of Year, As Restated					60,567,945	-	60,567,945	6,688,031
Net Position, End of Year					\$ 69,027,780	\$ -	\$ 69,027,780	\$ 301,779
					\$ -	\$ -	\$ -	\$ 6,720,993

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	General	Fire Protection	SPLOST III	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 798,603	\$ 13,762	\$ 29,958	\$ 3,459,094	\$ 4,301,417
Investments	24,741,899	-	11,302,679	-	36,044,578
Receivables:					
Taxes	1,325,732	23,663	-	-	1,349,395
Intergovernmental	209,091	-	589,746	179,571	978,408
Other	-	40,879	-	114,306	155,185
Due from other funds	460,618	3,553,033	658,274	4,642,234	9,314,159
Prepaid items	110,945	-	-	-	110,945
TOTAL ASSETS	\$ 27,646,888	\$ 3,631,337	\$ 12,580,657	\$ 8,395,205	\$ 52,254,087
LIABILITIES					
Accounts payable	\$ 426,950	\$ 77,785	\$ 1,192,056	\$ 202,462	\$ 1,899,253
Accrued payroll	241,016	200,896	-	10,276	452,188
Retirement contribution payable	181,558	-	-	-	181,558
Intergovernmental payable	-	-	310,046	-	310,046
Due to other funds	9,416,650	-	-	249,438	9,666,088
Unearned revenue	-	-	-	3,999	3,999
TOTAL LIABILITIES	10,266,174	278,681	1,502,102	466,175	12,513,132
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	40,312	15,453	-	-	55,765
FUND BALANCES					
Nonspendable	110,945	-	-	-	110,945
Restricted	13,000	3,337,203	11,078,555	3,405,465	17,834,223
Committed	-	-	-	4,523,565	4,523,565
Assigned	1,500,000	-	-	-	1,500,000
Unassigned	15,716,457	-	-	-	15,716,457
TOTAL FUND BALANCES	17,340,402	3,337,203	11,078,555	7,929,030	39,685,190
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 27,646,888	\$ 3,631,337	\$ 12,580,657	\$ 8,395,205	\$ 52,254,087

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, 2016

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

Total Governmental Fund Balances			\$ 39,685,190
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:			
Cost	\$ 85,014,510		
Less accumulated depreciation	<u>(48,644,257)</u>	36,370,253	
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		55,765	
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	
Deferred outflows related to pensions are not reported in the governmental funds.		3,577,473	
The County's net pension obligation is not reported in the governmental funds but is in the statement of net position.		(11,005,835)	
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>(496,728)</u>	
Net Position Of Governmental Activities			<u>\$ 69,027,780</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, 2016

	General	Fire Protection	SPLOST III	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 23,403,995	\$ 7,232,082	\$ 5,888,693	\$ 1,598,056	\$ 38,122,826
Licenses and permits	670,009	-	-	-	670,009
Charges for services	1,352,398	1,217,852	-	393,016	2,963,266
Fees, fines and forfeitures	444,328	-	-	136,522	580,850
Intergovernmental	230,404	37,363	658,274	200,106	1,126,147
Interest	77,308	-	34,432	11,520	123,260
Other	176,332	30,615	-	175,605	382,552
Total revenues	26,354,774	8,517,912	6,581,399	2,514,825	43,968,910
EXPENDITURES					
Current:					
General government	1,956,034	-	-	-	1,956,034
Judicial	1,767,773	-	-	160,688	1,928,461
Public safety	4,647,805	8,245,199	-	672,066	13,565,070
Public works	3,763,971	-	-	-	3,763,971
Health and welfare	5,323,381	-	-	30,671	5,354,052
Culture and recreation	1,465,974	-	-	101,269	1,567,243
Housing and development	844,608	-	-	-	844,608
Capital outlay:					
General Government	-	-	355,232	-	355,232
Judicial	-	-	89,125	-	89,125
Public safety	-	415,569	885,984	-	1,301,553
Public works	-	-	1,629,142	887,169	2,516,311
Culture and recreation	-	-	28,300	-	28,300
Housing and development	-	-	262,888	-	262,888
Intergovernmental	-	-	1,558,400	-	1,558,400
Total expenditures	19,769,546	8,660,768	4,809,071	1,851,863	35,091,248
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,585,228</u>	<u>(142,856)</u>	<u>1,772,328</u>	<u>662,962</u>	<u>8,877,662</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	82,921	-	-	-	82,921
Transfers in	-	860,050	130,788	1,370,910	2,361,748
Transfers out	(3,488,954)	(144)	-	(103,900)	(3,592,998)
Total other financing sources (uses)	<u>(3,406,033)</u>	<u>859,906</u>	<u>130,788</u>	<u>1,267,010</u>	<u>(1,148,329)</u>
NET CHANGE IN FUND BALANCES	3,179,195	717,050	1,903,116	1,929,972	7,729,333
FUND BALANCES, OCTOBER 1, 2015	<u>14,161,207</u>	<u>2,620,153</u>	<u>9,175,439</u>	<u>5,999,058</u>	<u>31,955,857</u>
FUND BALANCES, SEPTEMBER 30, 2016	<u>\$ 17,340,402</u>	<u>\$ 3,337,203</u>	<u>\$ 11,078,555</u>	<u>\$ 7,929,030</u>	<u>\$ 39,685,190</u>

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, 2016

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

Net Change In Fund Balances - Total Governmental Funds	\$ 7,729,333
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlays exceeded depreciation expense in the current period.

Depreciation expense	\$ (3,200,779)	
Capital outlay	<u>4,668,093</u>	1,467,314

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

Property taxes:		
Unavailable revenue @ 9/30/16	55,765	
Unavailable revenue @ 9/30/15	<u>(44,696)</u>	11,069

Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.	(14,922)
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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.

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.	(756,943)
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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.	<u>23,984</u>
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Change In Net Position of Governmental Activities	<u><u>\$ 8,459,835</u></u>
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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, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 18,285,584	\$18,285,584	\$ 18,186,485	\$ (99,099)
Local option sales	3,600,000	3,600,000	4,115,029	515,029
Alcoholic beverage	70,000	70,000	72,837	2,837
Insurance premium	761,000	761,000	867,142	106,142
Other	154,500	154,500	162,502	8,002
Licenses and permits	107,800	107,800	670,009	562,209
Charges for services	1,287,100	1,287,100	1,352,398	65,298
Fees, fines and forfeitures	444,000	444,000	444,328	328
Intergovernmental	230,997	230,997	230,404	(593)
Interest	20,000	20,000	77,308	57,308
Other	102,700	105,700	176,332	70,632
Total revenues	<u>25,063,681</u>	<u>25,066,681</u>	<u>26,354,774</u>	<u>1,288,093</u>
EXPENDITURES				
Current:				
General government:				
Legislative	65,455	65,455	60,507	4,948
General administration	1,368,745	1,368,745	360,659	1,008,086
Elections	244,582	244,582	182,894	61,688
Board of equalization	6,641	6,641	5,877	764
Legal services	150,000	150,000	29,356	120,644
Data processing	25,000	25,000	22,397	2,603
Tax commissioner	413,227	413,227	445,798	(32,571)
Tax assessor	455,987	455,987	425,057	30,930
Risk management	412,000	412,000	333,623	78,377
Audit fees	30,000	30,000	28,000	2,000
Records management	53,250	53,250	46,184	7,066
CSRA Regional Commission	16,500	16,500	15,682	818
Total general government	<u>3,241,387</u>	<u>3,241,387</u>	<u>1,956,034</u>	<u>1,285,353</u>
Judicial:				
Clerk of Courts	490,014	490,014	428,460	61,554
Superior Court	323,468	323,468	246,343	77,125
State Court	27,719	27,719	21,710	6,009
State Court - Judge	69,920	69,920	65,098	4,822
State Court - Community Service	13,509	13,509	13,976	(467)
Solicitor's Office	147,298	147,298	138,933	8,365
Juvenile Court	103,528	103,528	95,153	8,375
District Attorney	180,000	180,000	163,761	16,239
Indigent defense	200,000	200,000	95,145	104,855
Magistrate Court	365,971	365,971	355,880	10,091
Probate Court	142,532	142,532	143,314	(782)
Total judicial	<u>2,063,959</u>	<u>2,063,959</u>	<u>1,767,773</u>	<u>296,186</u>
Public safety:				
Animal control	6,000	6,000	6,000	-
Coroner	60,489	60,489	50,110	10,379
Jail	2,093,450	2,093,450	1,953,850	139,600
Sheriff	2,959,923	2,959,923	2,637,845	322,078
Total public safety	<u>5,119,862</u>	<u>5,119,862</u>	<u>4,647,805</u>	<u>472,057</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, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Highways and streets	\$ 4,121,345	\$ 4,121,345	\$ 3,763,971	\$ 357,374
Health and welfare:				
Health department	228,800	228,800	228,702	98
Welfare	5,000	5,000	5,000	-
Senior citizens	348,500	348,500	289,679	58,821
Burke County Hospital Authority	4,800,000	4,800,000	4,800,000	-
Total health and welfare	5,382,300	5,382,300	5,323,381	58,919
Culture and recreation:				
Recreation	1,050,767	1,050,767	1,056,595	(5,828)
Museum	27,860	27,860	22,713	5,147
Library	354,842	354,842	386,666	(31,824)
Total culture and recreation	1,433,469	1,433,469	1,465,974	(32,505)
Housing and development:				
Burke Office Park	151,500	151,500	160,607	(9,107)
County agent	189,148	192,148	130,111	62,037
Soil conservation	30,751	30,751	32,733	(1,982)
Georgia Forestry Commission	34,000	34,000	33,226	774
Planning commission	272,921	272,921	264,309	8,612
Chamber of commerce	18,000	18,000	18,000	-
Airport	24,700	24,700	5,622	19,078
Development Authority	200,000	200,000	200,000	-
Total housing and development	921,020	924,020	844,608	79,412
Total expenditures	22,283,342	22,286,342	19,769,546	2,516,796
EXCESS OF REVENUES OVER EXPENDITURES	2,780,339	2,780,339	6,585,228	3,804,889
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,795,339)	(3,795,339)	(3,488,954)	306,385
Sale of capital assets	15,000	15,000	82,921	67,921
Total other financing sources (uses)	(3,780,339)	(3,780,339)	(3,406,033)	374,306
NET CHANGE IN FUND BALANCE	\$ (1,000,000)	\$ (1,000,000)	3,179,195	\$ 4,179,195
FUND BALANCE, BEGINNING OF YEAR			14,161,207	
FUND BALANCE, END OF YEAR			\$ 17,340,402	

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, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 7,077,100	\$ 7,077,100	\$ 7,232,082	\$ 154,982
Charges for services	1,220,500	1,220,500	1,217,852	(2,648)
Intergovernmental	36,500	36,500	37,363	863
Other	500	500	30,615	30,115
Total revenues	<u>8,334,600</u>	<u>8,334,600</u>	<u>8,517,912</u>	<u>183,312</u>
EXPENDITURES				
Current:				
Public safety	8,447,650	8,422,350	8,245,199	202,451
Capital outlay:				
Public safety	747,000	772,300	415,569	331,431
Total public safety	<u>9,194,650</u>	<u>9,194,650</u>	<u>8,660,768</u>	<u>533,882</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(860,050)</u>	<u>(860,050)</u>	<u>(142,856)</u>	<u>717,194</u>
OTHER FINANCING SOURCES				
Transfers in	860,050	860,050	860,050	-
Transfers out	-	-	(144)	(144)
	<u>860,050</u>	<u>860,050</u>	<u>859,906</u>	<u>(144)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	717,050	<u>\$ 717,050</u>
FUND BALANCE, BEGINNING OF YEAR			<u>2,620,153</u>	
FUND BALANCE, END OF YEAR			<u>\$ 3,337,203</u>	

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2016

	Business Type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Solid Waste	Transit	Total	
ASSETS				
Current Assets				
Accounts receivable	\$ 130,999	-	\$ 130,999	-
Intergovernmental	-	\$ 10,246	10,246	-
Due from other funds	-	91,500	91,500	\$ 563,109
Inventory	-	-	-	439,189
Total Current Assets	130,999	101,746	232,745	1,002,298
Noncurrent Assets				
Capital Assets				
Land	1,037,752	-	1,037,752	-
Buildings and improvements	496,918	-	496,918	550,208
Machinery and equipment	1,404,179	327,723	1,731,902	536,393
Less accumulated depreciation	(749,397)	(149,903)	(899,300)	(589,961)
Total Capital Assets	2,189,452	177,820	2,367,272	496,640
Total Assets	2,320,451	279,566	2,600,017	1,498,938
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	108,430	31,491	139,921	252,235
LIABILITIES				
Current Liabilities				
Accounts payable	71,476	564	72,040	89,247
Accrued payroll	10,578	4,789	15,367	25,619
Compensated absences payable	1,472	616	2,088	1,776
Accrued landfill closure and postclosure care costs	18,987	-	18,987	-
Due to other funds	100,037	202,643	302,680	-
Total Current Liabilities	202,550	208,612	411,162	116,642
Long-Term Liabilities				
Compensated absences payable (net of current portion)	13,249	5,540	18,789	15,988
Net pension obligation	333,344	96,905	430,249	776,881
Accrued landfill closure and postclosure care costs (net of current portion)	1,879,738	-	1,879,738	-
Total Long-term Liabilities	2,226,331	102,445	2,328,776	792,869
Total Liabilities	2,428,881	311,057	2,739,938	909,511
NET POSITION				
Investment in capital assets	2,189,452	177,820	2,367,272	496,640
Unrestricted	(2,189,452)	(177,820)	(2,367,272)	345,022
Total Net Position	\$ -	\$ -	\$ -	\$ 841,662

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, 2016

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 596,128	\$ 123,440	\$ 719,568	\$ 2,713,556
Other	3,432	-	3,432	9,952
Total revenues	<u>599,560</u>	<u>123,440</u>	<u>723,000</u>	<u>2,723,508</u>
OPERATING EXPENSES				
Salaries	321,945	153,083	475,028	749,596
Employee benefits	137,409	62,276	199,685	366,647
Purchased services	1,055,661	56,280	1,111,941	271,134
Materials and supplies	78,240	24,387	102,627	1,283,341
Depreciation	168,170	44,722	212,892	54,690
Total operating expenses	<u>1,761,425</u>	<u>340,748</u>	<u>2,102,173</u>	<u>2,725,408</u>
OPERATING INCOME (LOSS)	(1,161,865)	(217,308)	(1,379,173)	(1,900)
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	-	137,975	137,975	-
Gain (loss) on disposal of capital assets	22,015	(12,067)	9,948	1,900
Total non-operating revenues (expenses)	<u>22,015</u>	<u>125,908</u>	<u>147,923</u>	<u>1,900</u>
INCOME (LOSS) BEFORE TRANSFERS	(1,139,850)	(91,400)	(1,231,250)	-
TRANSFERS IN	<u>1,139,850</u>	<u>91,400</u>	<u>1,231,250</u>	<u>-</u>
CHANGE IN NET POSITION	-	-	-	-
NET POSITION, OCTOBER 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>841,662</u>
NET POSITION, SEPTEMBER 30, 2016	<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, 2016

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 530,639	\$ 131,359	\$ 661,998	-
Cash received from interfund charges	-	-	-	\$ 2,725,857
Cash payments to employees for salaries and benefits	(442,347)	(210,474)	(652,821)	(1,028,487)
Cash payments for goods and services	(1,122,855)	(80,550)	(1,203,405)	(1,553,623)
Net cash provided (used) by operating activities	(1,034,563)	(159,665)	(1,194,228)	143,747
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants	-	62,949	62,949	-
Advances from (to) other funds	103,051	22,671	125,722	-
Transfers in	1,139,850	-	1,139,850	-
Net cash provided (used) by noncapital financing activities	1,242,901	85,620	1,328,521	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers from capital projects fund	-	91,400	91,400	-
Capital grants	-	75,026	75,026	-
Proceeds from sale of assets	22,015	-	22,015	1,900
Purchase of capital assets	(230,353)	(92,381)	(322,734)	(145,647)
Net cash provided (used) by capital and related financing activities	(208,338)	74,045	(134,293)	(143,747)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-	-
CASH AND CASH EQUIVALENTS, OCTOBER 1, 2015	-	-	-	-
CASH AND CASH EQUIVALENTS, SEPTEMBER 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,161,865)	\$ (217,308)	\$ (1,379,173)	\$ (1,900)
Adjustments:				
Depreciation	168,170	44,722	212,892	54,690
(Increase) decrease in operating assets:				
Accounts receivable	(68,921)	7,919	(61,002)	-
Interfund receivables	-	-	-	2,349
Inventory	-	-	-	14,327
(Increase) decrease in deferred outflow of resources - resources related to pensions	(75,020)	(22,277)	(97,297)	(182,146)
Increase (decrease) in operating liabilities:				
Accounts payable	(7,753)	117	(7,636)	(13,475)
Accrued landfill closure and postclosure care costs	18,799	-	18,799	-
Accrued payroll	690	268	958	3,384
Compensated absences payable	1,379	(2,887)	(1,508)	226
Net pension obligation	89,958	29,781	119,739	266,292
Net cash provided (used) by operating activities	<u>\$ (1,034,563)</u>	<u>\$ (159,665)</u>	<u>\$ (1,194,228)</u>	<u>\$ 143,747</u>

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2016

ASSETS

Cash	<u>\$781,010</u>
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LIABILITIES

Due to other entities and individuals	<u>\$781,010</u>
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See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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) III Fund – This capital projects fund was 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, 2016. Separate financial statements have been issued and are available from the Burke County Health Department.

Burke County Hospital Authority – Financial information for this component unit was unavailable and therefore is not included in the government-wide financial statements. 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. Separate financial statements are not 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, 2016.

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.

BURKE COUNTY, GEORGIA
NOTES TO 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, 2016, 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	\$ 36,044,578	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, 2016, the carrying amount of the County's deposits (checking and certificates of deposit) was \$5,082,427 and the bank balance was \$5,197,988. Of the bank balance, \$1,302,350 was covered by federal depository insurance and \$3,895,638 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, 2016, the carrying amount of deposits (checking and certificates of deposit) for the Development Authority of Burke County was \$2,362,532 and the bank balance was \$2,370,510. Of the bank balance, \$500,000 was covered by federal depository insurance and \$1,870,510 was collateralized by securities held by the pledging financial institution's trust department or agent in the Authority's name.

At June 30, 2016, the carrying amount of the Burke County Health Department's bank deposits was \$419,495 and the bank balance was \$438,878. Of the bank balance, \$410,000 was covered by federal depository insurance and \$28,878 was collateralized by securities held by the pledging financial institution's trust department or agent in the Health Department's name.

NOTE 3 – RECEIVABLES

Receivables at September 30, 2016, 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, 2016 follow:

<u>Fund</u>	<u>Allowance for Uncollectibles</u>
Fire Protection	\$ 414,270
Solid Waste	128
General	120,935

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 16, 2015, and due March 28, 2016. A summary of the current year property tax levy is as follows:

	<u>General Fund</u>	<u>Fire Protection Fund</u>
Millage rates		
Unincorporated	6.200	2.700
Incorporated	6.487	2.700
Property tax levy	<u>\$ 17,438,270</u>	<u>\$ 7,239,017</u>
Property taxes receivable at September 30, 2016	\$ 190,750	\$ 70,021
Allowance for uncollectible accounts	<u>(120,935)</u>	<u>(46,358)</u>
Net property taxes receivable at September 30, 2016	<u>\$ 69,815</u>	<u>\$ 23,663</u>
Unavailable property tax revenue at September 30, 2016	<u>\$ 40,312</u>	<u>\$ 15,453</u>

NOTE 5 – PUBLIC UTILITIES TAX

Public Utility taxes accounted for approximately 81% 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, 2016, was as follows:

	Balance 10/01/15	Additions	Deductions	Balance 09/30/16
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 3,594,933	-	-	\$ 3,594,933
Construction in progress	799,514	\$ 672,663	\$ 697,846	774,331
Total capital assets not being depreciated	4,394,447	672,663	697,846	4,369,264
Capital assets being depreciated:				
Infrastructure	41,022,951	2,529,697	-	43,552,648
Buildings and improvements	19,938,310	502,245	-	20,440,555
Furniture, fixtures, and equipment	16,860,902	1,806,982	929,239	17,738,645
Total capital assets being depreciated	77,822,163	4,838,924	929,239	81,731,848
Total capital assets	82,216,610	5,511,587	1,627,085	86,101,112
Accumulated depreciation:				
Infrastructure	24,085,556	1,617,529	-	25,703,085
Buildings and improvements	9,686,428	539,914	-	10,226,342
Furniture, fixtures, and equipment	13,121,082	1,098,026	914,316	13,304,792
Total accumulated depreciation	46,893,066	3,255,469	914,316	49,234,219
Governmental activities capital assets, net	\$ 35,323,544	\$ 2,256,118	\$ 712,769	\$ 36,866,893

Depreciation expense was charged to functions as follows:

General government	\$ 300,630
Public safety	731,593
Culture and recreation	177,955
Health and welfare	20,241
Public works	1,970,360
Vehicle maintenance internal service fund	10,982
Facility maintenance internal service fund	43,708
Total governmental activities depreciation expense	<u>\$ 3,255,469</u>

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS - Continued

Business-type capital asset activity for the year ended September 30, 2016 was as follows:

	Balance 10/01/15 <u>As restated</u>	<u>Additions</u>	<u>Deductions</u>	Balance 09/30/16 <u></u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,037,752	-	-	\$ 1,037,752
Capital assets being depreciated:				
Buildings	379,385	-	-	379,385
Improvements other than buildings	117,533	-	-	117,533
Machinery and equipment	1,498,174	\$ 305,379	\$ 71,651	1,731,902
Total capital assets being depreciated, as restated	1,995,092	305,379	71,651	2,228,820
Total capital assets	3,032,844	305,379	71,651	3,266,572
Accumulated depreciation:				
Buildings	15,181	9,485	-	24,666
Improvements other than buildings	81,123	5,998	-	87,121
Machinery and equipment	667,044	197,409	76,940	787,513
Total accumulated depreciation, as restated	763,348	212,892	76,940	899,300
Business-type activities capital assets, net	\$ 2,269,496	\$ 92,487	\$ (5,289)	\$ 2,367,272

Depreciation expense was charged as follows:

Solid Waste Fund	\$ 168,170
Transit Fund	44,722
Total business-type activities depreciation expense	<u>\$ 212,892</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, 2016 was as follows:

	Balance 10/01/15	Additions	Deductions	Balance 09/30/16
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	4,517,951	-	-	4,517,951
Capital assets being depreciated:				
Buildings	105,484	-	-	105,484
Machinery and equipment	25,499	-	-	25,499
Improvements	31,147	-	-	31,147
Total capital assets being depreciated	162,130	-	-	162,130
Accumulated depreciation:				
Buildings	33,623	\$ 2,637	-	36,260
Machinery and equipment	5,768	3,643	-	9,411
Improvements	1,201	1,850	-	3,051
Total accumulated depreciation	40,592	8,130	-	48,722
Development Authority capital assets, net	\$ 4,639,489	\$ (8,130)	\$ -	\$ 4,631,359

Capital asset activity for the Health Department component unit for the year ended June 30, 2016 was as follows:

	Balance 07/01/15	Additions	Deductions	Balance 06/30/16
Capital assets being depreciated:				
Machinery and equipment	\$ 187,195	-	\$ -	\$ 187,195
Accumulated depreciation:				
Machinery and equipment	162,718	\$ 5,210	-	167,928
Health Department capital assets, net	\$ 24,477	\$ (5,210)	\$ -	\$ 19,267

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

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, 2016:

	Balance October 1, 2015	Additions	Reductions	Balance September 30, 2016	Amounts Due In One Year
Governmental Activities:					
Compensated absences payable	\$ 538,249	\$ 565,128	\$ 588,885	\$ 514,492	\$ 51,449
Net pension obligation	8,243,519	5,447,597	1,908,400	11,782,716	-
Total Governmental Activities	<u>\$ 8,781,768</u>	<u>\$ 6,012,725</u>	<u>\$ 2,497,285</u>	<u>\$ 12,297,208</u>	<u>\$ 51,449</u>
Business-Type Activities:					
Compensated absences payable	\$ 22,384	\$ 20,848	\$ 22,355	\$ 20,877	\$ 2,088
Accrued landfill closure, and postclosure care costs	1,879,925	42,065	23,265	1,898,725	18,987
Net pension obligation	310,510	189,445	69,706	430,249	-
Total Business-Type Activities	<u>\$ 2,212,819</u>	<u>\$ 252,358</u>	<u>\$ 115,326</u>	<u>\$ 2,349,851</u>	<u>\$ 21,075</u>

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

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Amounts Due In One Year
Health Department:					
Net pension obligation	\$ 582,996	\$ 68,550	-	\$ 651,546	\$ -
Compensated absences payable	29,629	29,089	\$ 26,005	32,713	-
Total Health Department	<u>\$ 612,625</u>	<u>\$ 97,639</u>	<u>\$ 26,005</u>	<u>\$ 684,259</u>	<u>\$ -</u>

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM DEBT - Continued

	Balance October 1, 2015	Additions	Reductions	Balance September 30, 2016	Amounts Due In One Year
Development Authority:					
Net pension obligation	\$ 47,386	\$ 90,068	\$ 19,173	\$ 118,281	-
Compensated absences payable	985	6,110	3,419	3,676	\$ 368
Total Development Authority	<u>\$ 48,371</u>	<u>\$ 96,178</u>	<u>\$ 22,592</u>	<u>\$ 121,957</u>	<u>\$ 368</u>

NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

Excess expenditures over appropriations for the year ended September 30, 2016 were as follows:

	<u>Overexpenditures</u>
General Fund:	
Tax commissioner	\$ 32,571
State court - Community Service	467
Probate Court	782
Recreation	5,828
Library	31,824
Burke Office Park	9,107
Soil conservation	1,982

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

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – INTERFUND RECEIVABLES, INTERFUND PAYABLES AND TRANSFERS

A summary of interfund receivables and payables as of September 30, 2016, 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	\$ 155,533
	Solid Waste	100,037
	Accountability court	2,505
	Transit	202,543
Other capital projects	General	4,523,565
Sheriff's commissions	General	110,995
Fire protection	General	3,553,033
Small grants	General	7,674
SPLOST 3	General	658,274
Vehicle maintenance	General	384,961
Facility maintenance	General	178,148
Transit	TSPLOST	91,400
Total		<u>\$9,968,668</u>

A summary of transfers for the year ended September 30, 2016 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	Fire Fund	
Fire Protection Fund	\$ 860,050	-	-	-	\$ 860,050
E911 Fund	82,050	-	-	-	82,050
Solid Waste Fund	1,139,850	-	-	-	1,139,850
Small Grants Fund	3,660	-	-	\$ 144	3,804
Transit Fund	-	\$ 91,400	-	-	91,400
Accountability Court Fund	49,016	-	\$ 12,500	-	61,516
SPLOST III Fund	130,788	-	-	-	130,788
Other Capital Projects Fund	1,223,540	-	-	-	1,223,540
Total	<u>\$ 3,488,954</u>	<u>\$ 91,400</u>	<u>\$ 12,500</u>	<u>\$ 144</u>	<u>\$ 3,592,998</u>

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2016, governmental fund balances are composed of the following:

	<u>General Fund</u>	<u>Fire Protection</u>	<u>SPLOST III</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable - Prepaid items	\$ 110,945	-	-	-	\$ 110,945
Restricted:					
Capital projects	-	-	\$ 11,078,555	\$ 3,093,971	14,172,526
Fire protection	-	\$ 3,337,203	-	-	3,337,203
Sheriff	13,000	-	-	114,046	127,046
Law library	-	-	-	7,728	7,728
Drug enforcement	-	-	-	3,376	3,376
Public library	-	-	-	83,918	83,918
Drug education	-	-	-	4,828	4,828
Jail	-	-	-	74,820	74,820
Emergency telephone system	-	-	-	2,063	2,063
Victims assistance	-	-	-	3,809	3,809
Juvenile services	-	-	-	4,381	4,381
Accountability court	-	-	-	12,525	12,525
Total restricted	13,000	3,337,203	11,078,555	3,405,465	17,834,223
Committed - Judicial Center	-	-	-	4,523,565	4,523,565
Assigned - subsequent year's budget	1,500,000	-	-	-	1,500,000
Unassigned	15,716,457	-	-	-	15,716,457
Total fund balances	\$ 17,340,402	\$ 3,337,203	\$ 11,078,555	\$ 7,929,030	\$ 39,685,190

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	60
Deferred vested (former employees)	134
Active participants	<u>286</u>
Total plan participants	<u>480</u>
 Covered Compensation	 <u>\$ 12,386,845</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.

Total contributions to the plan for the plan year ended December 31, 2015 were \$1,091,379 which represents 8.81% of covered employee payroll.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – RETIREMENT PLAN – Continued

Actuarial Assumptions

The total pension liability in the January 1, 2015 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 projected with Scale AA
Future payroll growth	5.50% per year
Inflation	3.00%

The actuarial assumptions used in the January 1, 2015 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:

Asset Class	Long-Term	
	Target Allocation	Expected Real Rate of Return
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, 2015	\$ 26,703,318	\$ 18,101,903	\$ 8,601,415
Changes for the year:			
Service cost	667,642	-	667,642
Interest on the total pension liability	1,927,851	-	1,927,851
Liability expense (gain)/loss	1,054,616	-	1,054,616
Assumption change	1,081,367	-	1,081,367
Contributions from the employer	-	1,091,379	(1,091,379)
Net investment income	-	144,802	(144,802)
Administrative expenses	-	(61,855)	61,855
Benefit payments	(1,997,278)	(1,997,278)	-
Other changes	-	(172,681)	172,681
Net Changes	2,734,198	(995,633)	3,729,831
Balance, December 31, 2015	\$ 29,437,516	\$ 17,106,270	\$ 12,331,246 *

*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:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
County's net pension liability	\$ 16,528,420	\$ 12,331,247	\$ 8,842,788

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2016, the County recognized pension expense of \$2,100,611. At September 30, 2016, the County reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources
Employer contributions after measurement date	\$ 1,216,018
Net differences between projected and actual net investment income	1,074,600
Liability experience loss	847,829
Assumption change	869,334
	<u>\$ 4,007,781 *</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:

<u>Year ending</u> <u>September 30</u>	
2017	\$ 1,956,861
2018	669,679
2019	669,679
2020	669,679
2021	41,883
	<u>\$ 4,007,781</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 \$1,898,725 as of September 30, 2016. 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, 2016. 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, 2016, the County paid \$16,000 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 – 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, 2016, 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, 2016, are as follows:

Unpaid claims, October 1, 2015	\$ 427,279
Incurred claims	342,156
Claim payments	(181,283)
Adjustments	<u>(22,465)</u>
Unpaid claims, September 30, 2016	<u>\$ 565,687</u>

NOTE 15 – 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.

BURKE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 16 – SUBSEQUENT EVENTS

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through March 24, 2017, the date the financial statements were available to be issued.

NOTE 17 – 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, 2016 was \$4,754,499. Scheduled principal and interest payments on this long-term debt are as follows:

Year ending September 30,	Principal	Interest	Total
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>\$4,754,499</u>	<u>\$352,759</u>	<u>\$5,107,258</u>

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, 2016

	<u>2016 (1)</u>	<u>2015 (1)</u>
Total pension liability		
Service cost	\$ 667,642	\$ 629,361
Interest	1,927,851	1,844,208
Liability Experience (Gain)/Loss	1,054,616	-
Assumption Change	1,081,367	-
Benefit Payments	<u>(1,997,278)</u>	<u>(719,374)</u>
Net change in total pension liability	2,734,198	1,754,195
Total pension liability-beginning	<u>26,703,318</u>	<u>24,949,123</u>
Total pension liability-ending (a)	<u><u>\$ 29,437,516</u></u>	<u><u>\$ 26,703,318</u></u>
 Plan fiduciary net position		
Contributions-employer	\$ 1,091,379	\$ 1,029,499
Net investment income	144,802	1,232,806
Benefit Payments	(1,997,278)	(719,374)
Administrative expense	(61,855)	(57,294)
Other changes	<u>(172,681)</u>	<u>(183,427)</u>
Net change in plan fiduciary net position	(995,633)	1,302,210
Plan fiduciary net position-beginning	<u>18,101,903</u>	<u>16,799,693</u>
Plan fiduciary net position-ending (b)	<u><u>\$ 17,106,270</u></u>	<u><u>\$ 18,101,903</u></u>
 Net pension liability-ending (a)-(b)	<u><u>\$ 12,331,246</u></u>	<u><u>\$ 8,601,415</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	58.1%	67.8%
 Covered-employee payroll	\$ 12,386,845	\$ 11,843,126
 Net pension liability as a percentage of covered-employee payroll	99.6%	72.6%

(1) Only fiscal years 2016 and 2015 were 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, 2016

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	*	\$ 1,091,379
Contributions in relation to the actuarially determined contribution	*	(1,091,379)
Contribution deficiency (excess)	*	\$ -
Covered-employee payroll	*	12,386,845
Contributions as a percentage of covered-employee payroll	*	8.8%

*2016 information will be determined after fiscal year end and will be included in the 2016 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
Mortality	RP-2000 projected with Scale AA

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Funds
ASSETS			
Cash	\$ 252,589	\$ 3,206,505	\$ 3,459,094
Accounts receivable	114,306	-	114,306
Due from other funds	118,669	4,523,565	4,642,234
Intergovernmental receivable	43,933	135,638	179,571
TOTAL ASSETS	\$ 529,497	\$ 7,865,708	\$ 8,395,205
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 45,690	\$ 156,772	\$ 202,462
Accrued payroll	10,276	-	10,276
Unearned revenue	3,999	-	3,999
Due to other funds	158,038	91,400	249,438
Total liabilities	218,003	248,172	466,175
Fund balance:			
Restricted	311,494	3,093,971	3,405,465
Committed	-	4,523,565	4,523,565
Total fund balance	311,494	7,617,536	7,929,030
TOTAL LIABILITIES AND FUND BALANCE	\$ 529,497	\$ 7,865,708	\$ 8,395,205

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Funds
REVENUES			
Taxes	-	\$ 1,598,056	\$ 1,598,056
Charges for services	\$ 393,016	-	393,016
Fees, fines and forfeitures	136,522	-	136,522
Intergovernmental	200,106	-	200,106
Interest	206	11,314	11,520
Other	175,580	25	175,605
Total revenues	<u>905,430</u>	<u>1,609,395</u>	<u>2,514,825</u>
EXPENDITURES			
Current:			
Judicial	160,688	-	160,688
Public safety	672,066	-	672,066
Culture and recreation	101,269	-	101,269
Health and welfare	30,671	-	30,671
Capital outlay:			
Public works	-	887,169	887,169
Total expenditures	<u>964,694</u>	<u>887,169</u>	<u>1,851,863</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(59,264)</u>	<u>722,226</u>	<u>662,962</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	147,370	1,223,540	1,370,910
Transfers out	(12,500)	(91,400)	(103,900)
Total other financing sources (uses)	<u>134,870</u>	<u>1,132,140</u>	<u>1,267,010</u>
NET CHANGE IN FUND BALANCES	<u>75,606</u>	<u>1,854,366</u>	<u>1,929,972</u>
FUND BALANCES, BEGINNING OF YEAR	<u>235,888</u>	<u>5,763,170</u>	<u>5,999,058</u>
FUND BALANCES, END OF YEAR	<u>\$ 311,494</u>	<u>\$ 7,617,536</u>	<u>\$ 7,929,030</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.

SPLOST II Fund – This fund accounts for expenditures on capital improvements financed through revenues from a special purpose local option sales tax.

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, 2016

	T-SPLOST Capital Projects Fund	SPLOST II Capital Projects Fund	Other Capital Projects Fund	Total Nonmajor Capital Projects Funds
ASSETS				
Cash	\$ 3,206,505	\$ -	-	\$ 3,206,505
Due from other funds	-	-	\$ 4,523,565	4,523,565
Intergovernmental receivable	135,638	-	-	135,638
TOTAL ASSETS	<u>\$ 3,342,143</u>	<u>\$ -</u>	<u>\$ 4,523,565</u>	<u>\$ 7,865,708</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 156,772	\$ -	-	\$ 156,772
Due to other funds	91,400	-	-	91,400
Total liabilities	248,172	-	-	248,172
Fund balance:				
Restricted	3,093,971	-	-	3,093,971
Committed	-	-	\$ 4,523,565	4,523,565
Total fund balance	3,093,971	-	4,523,565	7,617,536
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,342,143</u>	<u>\$ -</u>	<u>\$ 4,523,565</u>	<u>\$ 7,865,708</u>

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	T-SPLOST Capital Projects Fund	SPLOST II Capital Projects Fund	Other Capital Projects Fund	Total Nonmajor Capital Projects Funds
REVENUES				
Taxes	\$ 1,598,056	-	-	\$ 1,598,056
Interest	11,253	\$ 61	-	11,314
Other	-	-	\$ 25	25
Total revenues	<u>1,609,309</u>	<u>61</u>	<u>25</u>	<u>1,609,395</u>
EXPENDITURES				
Capital outlay:				
Public works	819,492	67,677	-	887,169
Total expenditures	<u>819,492</u>	<u>67,677</u>	<u>-</u>	<u>887,169</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>789,817</u>	<u>(67,616)</u>	<u>25</u>	<u>722,226</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,223,540	1,223,540
Transfers out	(91,400)	-	-	(91,400)
Total other financing sources (uses)	<u>(91,400)</u>	<u>-</u>	<u>1,223,540</u>	<u>1,132,140</u>
NET CHANGE IN FUND BALANCES	698,417	(67,616)	1,223,565	1,854,366
FUND BALANCES, BEGINNING OF YEAR	<u>2,395,554</u>	<u>67,616</u>	<u>3,300,000</u>	<u>5,763,170</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,093,971</u>	<u>\$ -</u>	<u>\$ 4,523,565</u>	<u>\$ 7,617,536</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, 2016

	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	\$ 7,728	\$ 3,376	\$ 4,225	\$ 83,918	-	\$ 59,439	\$ 74,820
Accounts receivable	-	-	-	-	-	114,306	-
Due from other funds	-	-	-	-	\$ 7,674	-	-
Intergovernmental receivable	-	-	603	-	24,140	-	-
TOTAL ASSETS	\$ 7,728	\$ 3,376	\$ 4,828	\$ 83,918	\$ 31,814	\$ 173,745	\$ 74,820
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	-	-	-	-	\$ 27,815	\$ 5,873	-
Accrued payroll	-	-	-	-	-	10,276	-
Unearned revenue	-	-	-	-	3,999	-	-
Due to other funds	-	-	-	-	-	155,533	-
Total liabilities	-	-	-	-	31,814	171,682	-
Fund balance:							
Restricted	7,728	\$ 3,376	\$ 4,828	\$ 83,918	-	2,063	\$ 74,820
Total fund balance	<u>7,728</u>	<u>3,376</u>	<u>4,828</u>	<u>83,918</u>	<u>-</u>	<u>2,063</u>	<u>74,820</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 7,728	\$ 3,376	\$ 4,828	\$ 83,918	\$ 31,814	\$ 173,745	\$ 74,820

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2016

	Victims Assistance Fund	Supplemental Juvenile Services Fund	Sheriffs Commissions Fund	Accountability Court Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash	\$ 2,501	\$ 4,381	\$ 12,201	-	\$ 252,589
Accounts receivable	-	-	-	-	114,306
Due from other funds	-	-	110,995	-	118,669
Intergovernmental receivable	1,308	-	-	\$ 17,882	43,933
TOTAL ASSETS	\$ 3,809	\$ 4,381	\$ 123,196	\$ 17,882	\$ 529,497
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	-	\$ 9,150	\$ 2,852	\$ 45,690
Accrued payroll	-	-	-	-	10,276
Unearned revenue	-	-	-	-	3,999
Due to other funds	-	-	-	2,505	158,038
Total liabilities	-	-	9,150	5,357	218,003
Fund balance:					
Restricted	\$ 3,809	\$ 4,381	114,046	12,525	311,494
Total fund balance	3,809	4,381	114,046	12,525	311,494
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,809	\$ 4,381	\$ 123,196	\$ 17,882	\$ 529,497

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	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	-	-	-	\$ 8,972	-	\$ 384,044	-
Fees, fines and forfeitures	\$ 9,258	-	\$ 10,834	11,416	-	-	\$ 34,734
Intergovernmental	-	-	-	87,050	\$ 66,365	-	-
Interest	-	\$ 2	8	89	-	68	31
Other	-	-	-	13,645	1,671	-	-
Total revenues	9,258	2	10,842	121,172	68,036	384,112	34,765
EXPENDITURES							
Current:							
Judicial	7,761	-	-	-	-	-	-
Public safety	-	18	5,390	-	70,169	466,162	18
Culture and recreation	-	-	-	101,269	-	-	-
Health and welfare	-	-	-	-	1,671	-	-
Total expenditures	7,761	18	5,390	101,269	71,840	466,162	18
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,497	(16)	5,452	19,903	(3,804)	(82,050)	34,747
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	3,804	82,050	-
Transfers out	-	-	(12,500)	-	-	-	-
Total other financing sources (uses)	-	-	(12,500)	-	3,804	82,050	-
NET CHANGE IN FUND BALANCES	1,497	(16)	(7,048)	19,903	-	-	34,747
FUND BALANCES, BEGINNING OF YEAR	6,231	3,392	11,876	64,015	-	2,063	40,073
FUND BALANCES, END OF YEAR	\$ 7,728	\$ 3,376	\$ 4,828	\$ 83,918	\$ -	\$ 2,063	\$ 74,820

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Victims Assistance Fund	Supplemental Juvenile Services Fund	Sheriff's Commissions Fund	Accountability Court Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Charges for services	-	-	-	-	\$ 393,016
Fees, fines and forfeitures	\$ 23,116	\$ 2,444	-	\$ 44,720	136,522
Intergovernmental	-	-	-	46,691	200,106
Interest	5	3	-	-	206
Other	-	-	\$ 160,264	-	175,580
Total revenues	<u>23,121</u>	<u>2,447</u>	<u>160,264</u>	<u>91,411</u>	<u>905,430</u>
EXPENDITURES					
Current:					
Judicial	-	-	-	152,927	160,688
Public safety	-	-	130,309	-	672,066
Culture and recreation	-	-	-	-	101,269
Health and welfare	29,000	-	-	-	30,671
Total expenditures	<u>29,000</u>	<u>-</u>	<u>130,309</u>	<u>152,927</u>	<u>964,694</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,879)</u>	<u>2,447</u>	<u>29,955</u>	<u>(61,516)</u>	<u>(59,264)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	61,516	147,370
Transfers out	-	-	-	-	(12,500)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,516</u>	<u>134,870</u>
NET CHANGE IN FUND BALANCES	<u>(5,879)</u>	<u>2,447</u>	<u>29,955</u>	<u>-</u>	<u>75,606</u>
FUND BALANCES, BEGINNING OF YEAR	<u>9,688</u>	<u>1,934</u>	<u>84,091</u>	<u>12,525</u>	<u>235,888</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,809</u>	<u>\$ 4,381</u>	<u>\$ 114,046</u>	<u>\$ 12,525</u>	<u>\$ 311,494</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, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees, and forfeitures	\$ 5,000	\$ 9,258	\$ 4,258
EXPENDITURES			
Current:			
Judicial	35,000	7,761	27,239
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(30,000)	1,497	31,497
FUND BALANCES, BEGINNING OF YEAR	6,231	6,231	-
FUND BALANCES, END OF YEAR	\$ (23,769)	\$ 7,728	\$ 31,497

BURKE COUNTY, GEORGIA
DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	\$ 2,000	-	\$ (2,000)
Interest	-	\$ 2	2
Total revenues	2,000	2	(1,998)
EXPENDITURES			
Current:			
Public safety	3,000	18	2,982
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,000)	(16)	984
FUND BALANCES, BEGINNING OF YEAR	3,392	3,392	-
FUND BALANCES, END OF YEAR	\$ 2,392	\$ 3,376	\$ 984

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, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	\$ 21,000	\$ 10,834	\$ (10,166)
Interest	-	8	8
Total revenues	<u>21,000</u>	<u>10,842</u>	<u>(10,158)</u>
EXPENDITURES			
Current:			
Public safety	<u>36,000</u>	<u>5,390</u>	<u>30,610</u>
Total expenditures	<u>36,000</u>	<u>5,390</u>	<u>30,610</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(15,000)	5,452	20,452
OTHER FINANCING USES			
Transfers out	<u>-</u>	<u>(12,500)</u>	<u>(12,500)</u>
NET CHANGE IN FUND BALANCES	(15,000)	(7,048)	7,952
FUND BALANCES, BEGINNING OF YEAR	<u>11,876</u>	<u>11,876</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ (3,124)</u>	<u>\$ 4,828</u>	<u>\$ 7,952</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, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 87,250	\$ 87,050	\$ (200)
Charges for services	6,500	8,972	2,472
Fines	9,550	11,416	1,866
Interest	150	89	(61)
Other	3,650	13,645	9,995
Total revenues	107,100	121,172	14,072
EXPENDITURES			
Current:			
Culture and recreation	117,000	101,269	15,731
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,900)	19,903	29,803
FUND BALANCES, BEGINNING OF YEAR	64,015	64,015	-
FUND BALANCES, END OF YEAR	\$ 54,115	\$ 83,918	\$ 29,803

BURKE COUNTY, GEORGIA
SMALL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	-	\$ 70,300	\$ 66,365	\$ (3,935)
Other	\$ 2,500	2,900	1,671	(1,229)
Total revenues	<u>2,500</u>	<u>73,200</u>	<u>68,036</u>	<u>(5,164)</u>
EXPENDITURES				
Current:				
Public safety	-	70,300	70,169	131
Health and welfare	2,500	2,900	1,671	1,229
Total expenditures	<u>2,500</u>	<u>73,200</u>	<u>71,840</u>	<u>1,360</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(3,804)	(3,804)
OTHER FINANCING USES				
Transfers in	-	-	3,804	3,804
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, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 371,000	\$ 384,044	\$ 13,044
Interest	-	68	68
Total revenues	371,000	384,112	13,112
EXPENDITURES			
Current:			
Public safety	499,933	466,162	33,771
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(128,933)	(82,050)	46,883
OTHER FINANCING SOURCES			
Transfers in	128,933	82,050	46,883
NET CHANGE IN FUND BALANCES	-	-	93,766
FUND BALANCES, BEGINNING OF YEAR	2,063	2,063	-
FUND BALANCES, END OF YEAR	\$ 2,063	\$ 2,063	\$ 46,883

BURKE COUNTY, GEORGIA
JAIL SURCHARGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	\$ 35,000	\$ 34,734	\$ (266)
Interest	20	31	11
Total revenues	<u>35,020</u>	<u>34,765</u>	<u>(255)</u>
EXPENDITURES			
Current:			
Public safety	20	18	2
Capital outlay:			
Public safety	101,000	-	101,000
Total expenditures	<u>101,020</u>	<u>18</u>	<u>101,002</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(66,000)	34,747	100,747
FUND BALANCES, BEGINNING OF YEAR	<u>40,073</u>	<u>40,073</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ (25,927)</u>	<u>\$ 74,820</u>	<u>\$ 100,747</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, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	\$ 23,000	\$ 23,116	\$ 116
Interest	-	5	5
Total revenues	23,000	23,121	121
EXPENDITURES			
Current:			
Health and welfare	29,000	29,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,000)	(5,879)	121
FUND BALANCES, BEGINNING OF YEAR	9,688	9,688	-
FUND BALANCES, END OF YEAR	\$ 3,688	\$ 3,809	\$ 121

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, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	\$ 2,900	\$ 2,444	\$ (456)
Interest	-	3	3
Total revenues	<u>2,900</u>	<u>2,447</u>	<u>(453)</u>
EXPENDITURES			
Current:			
Judicial	<u>2,900</u>	<u>-</u>	<u>2,900</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	2,447	2,447
FUND BALANCES, BEGINNING OF YEAR	<u>1,934</u>	<u>1,934</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,934</u>	<u>\$ 4,381</u>	<u>\$ 2,447</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, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Vendor commissions	\$ 170,000	\$ 160,264	\$ (9,736)
EXPENDITURES			
Current:			
Public safety	170,000	130,309	39,691
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	29,955	29,955
FUND BALANCES, BEGINNING OF YEAR	84,091	84,091	-
FUND BALANCES, END OF YEAR	\$ 84,091	\$ 114,046	\$ 29,955

BURKE COUNTY, GEORGIA
ACCOUNTABILITY COURTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fines, fees and forfeitures	\$ 30,000	\$ 54,300	\$ 44,720	\$ (9,580)
Intergovernmental	38,000	38,000	46,691	8,691
Total revenues	68,000	92,300	91,411	(889)
EXPENDITURES				
Current:				
Judicial	140,389	164,689	152,927	11,762
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(72,389)	(72,389)	(61,516)	10,873
OTHER FINANCING USES				
Transfers in	72,389	72,389	61,516	(10,873)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	12,525	12,525	12,525	-
FUND BALANCES, END OF YEAR	\$ 12,525	\$ 12,525	\$ 12,525	\$ -

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, 2016

	<u>Vehicle Maintenance</u>	<u>Facilities Maintenance</u>	<u>Total</u>
ASSETS			
Current Assets:			
Interfund receivable	\$ 384,961	\$ 178,148	\$ 563,109
Inventory	439,189	-	439,189
Total current assets	<u>824,150</u>	<u>178,148</u>	<u>1,002,298</u>
Noncurrent Assets:			
Capital Assets			
Buildings and improvements	-	550,208	550,208
Machinery and equipment	219,405	316,988	536,393
Less accumulated depreciation	<u>(138,358)</u>	<u>(451,603)</u>	<u>(589,961)</u>
Total Capital Assets	<u>81,047</u>	<u>415,593</u>	<u>496,640</u>
Total Assets	<u>905,197</u>	<u>593,741</u>	<u>1,498,938</u>
DEFERRED OUTFLOWS OF RESOURCES			
Resources related to pensions	<u>163,305</u>	<u>88,930</u>	<u>252,235</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	55,617	33,630	89,247
Accrued payroll	17,863	7,756	25,619
Compensated absences payable	<u>1,265</u>	<u>511</u>	<u>1,776</u>
Total Current Liabilities	<u>74,745</u>	<u>41,897</u>	<u>116,642</u>
Long-Term Liabilities:			
Compensated absences payable (net of current portion)	11,386	4,602	15,988
Net pension obligation	<u>503,073</u>	<u>273,808</u>	<u>776,881</u>
Total Long-Term Liabilities	<u>514,459</u>	<u>278,410</u>	<u>792,869</u>
Total Liabilities	<u>589,204</u>	<u>320,307</u>	<u>909,511</u>
NET POSITION			
Investment in capital assets	81,047	415,593	496,640
Unrestricted	<u>398,251</u>	<u>(53,229)</u>	<u>345,022</u>
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, 2016

	<u>Vehicle Maintenance</u>	<u>Facilities Maintenance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 2,004,635	\$ 708,921	\$ 2,713,556
Other	7,860	2,092	9,952
	<u>2,012,495</u>	<u>711,013</u>	<u>2,723,508</u>
OPERATING EXPENSES			
Salaries	497,725	251,871	749,596
Employee benefits	250,863	115,784	366,647
Purchased services	105,086	166,048	271,134
Materials and supplies	1,149,739	133,602	1,283,341
Depreciation	<u>10,982</u>	<u>43,708</u>	<u>54,690</u>
TOTAL OPERATING EXPENSES	<u>2,014,395</u>	<u>711,013</u>	<u>2,725,408</u>
TOTAL OPERATING INCOME (LOSS)	(1,900)	-	(1,900)
NON-OPERATING REVENUES (EXPENSES)			
Gain on sale of capital assets	<u>1,900</u>	<u>-</u>	<u>1,900</u>
CHANGE IN NET POSITION	-	-	-
NET POSITION, BEGINNING OF YEAR	<u>479,298</u>	<u>362,364</u>	<u>841,662</u>
NET POSITION, END OF YEAR	<u>\$ 479,298</u>	<u>\$ 362,364</u>	<u>\$ 841,662</u>

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Vehicle Maintenance	Facilities Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund charges	\$ 1,994,623	\$ 731,234	\$ 2,725,857
Cash payments to employees for salaries and benefits	(686,730)	(341,757)	(1,028,487)
Cash payments for goods and services	(1,255,385)	(298,238)	(1,553,623)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>52,508</u>	<u>91,239</u>	<u>143,747</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of assets	1,900	-	1,900
Purchase of capital assets	(54,408)	(91,239)	(145,647)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(52,508)</u>	<u>(91,239)</u>	<u>(143,747)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,900)	-	\$ (1,900)
Depreciation	10,982	\$ 43,708	54,690
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) decrease in assets:			
Interfund receivables	(17,872)	20,221	2,349
Inventory	14,327	-	14,327
(Increase) decrease in deferred outflows of resources - resources related to pensions	(118,431)	(63,715)	(182,146)
Increase (decrease) in operating liabilities:			
Accounts payable	(14,887)	1,412	(13,475)
Accrued payroll	3,305	79	3,384
Compensated absences payable	811	(585)	226
Net pension obligation	176,173	90,119	266,292
Total cash provided (used) by operating activities	<u><u>\$ 52,508</u></u>	<u><u>\$ 91,239</u></u>	<u><u>\$ 143,747</u></u>

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, 2016

	<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>\$ 635,773</u>	<u>\$ -</u>	<u>\$ 100,085</u>	<u>\$ 143</u>	<u>\$ 45,009</u>	<u>\$ 781,010</u>
LIABILITIES						
Due to other entities and individuals	<u>\$ 635,773</u>	<u>\$ -</u>	<u>\$ 100,085</u>	<u>\$ 143</u>	<u>\$ 45,009</u>	<u>\$ 781,010</u>

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
Tax Commissioner				
Assets				
Cash	\$ 542,035	\$ 67,996,667	\$ 67,902,929	\$ 635,773
Liabilities				
Due to other entities and individuals	\$ 542,035	\$ 67,996,667	\$ 67,902,929	\$ 635,773
Probate Court				
Assets				
Cash	\$ -	\$ 57,262	\$ 57,262	\$ -
Liabilities				
Due to other entities and individuals	\$ -	\$ 57,262	\$ 57,262	\$ -
Clerk of Courts				
Assets				
Cash	\$ 109,008	\$ 941,870	\$ 950,793	\$ 100,085
Liabilities				
Due to other entities and individuals	\$ 109,008	\$ 941,870	\$ 950,793	\$ 100,085
Magistrate Court				
Assets				
Cash	\$ 115	\$ 200,049	\$ 200,021	\$ 143
Liabilities				
Due to other entities and individuals	\$ 115	\$ 200,049	\$ 200,021	\$ 143
Sheriff				
Assets				
Cash	\$ 52,624	\$ 362,669	\$ 370,284	\$ 45,009
Liabilities				
Due to other entities and individuals	\$ 52,624	\$ 362,669	\$ 370,284	\$ 45,009
Total Agency Funds				
Assets				
Cash	\$ 703,782	\$ 69,558,517	\$ 69,481,289	\$ 781,010
Liabilities				
Due to other entities and individuals	\$ 703,782	\$ 69,558,517	\$ 69,481,289	\$ 781,010

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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	8,321,567	8,253,890	\$ 67,677	8,321,567	100%
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>\$ 23,377,592</u>	<u>\$ 23,309,915</u>	<u>\$ 67,677</u>	<u>\$ 23,377,592</u>	<u>100%</u>

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

SPLOST III Fund

Project	Original Estimated Cost	Expenditures		Total	Estimated Percentage of Completion
		Prior Years	Current Year		
Countywide projects					
Judicial center	\$ 15,000,000	\$ 1,733,411	\$ 89,125	\$ 1,822,536	12%
Jail addition	2,000,000	-	-	-	0%
Burke County					
EOC/911 center	2,000,000	651,529	576,838	1,228,367	61%
Recreation improvements	1,000,000	280,712	28,300	309,012	31%
Industrial Park expansion	2,500,000	867,976	262,888	1,130,864	45%
Building construction and renovations	1,500,000	195,773	355,232	551,005	37%
Airport projects	200,000	26,042	-	26,042	13%
Roads and bridges projects and equipment	8,040,000	930,911	840,080	1,770,991	22%
Firetrucks	1,500,000	-	241,999	241,999	16%
Ambulances	600,000	-	-	-	0%
Patrol cars	500,000	142,280	67,147	209,427	42%
Water and sewer improvements	6,000,000	-	-	-	0%
Landfill building projects	340,000	314,825	-	314,825	93%
Waynesboro					
Water & sewer improvements, roads, streets, sidewalks, drainage improvements, buildings, patrol vehicles and utility equipment	10,140,000	3,520,508	1,066,274	4,586,782	45%
Sardis					
Water, sewer, and street improvements, recreation and beautification projects, capital equipment	2,340,000	812,424	246,063	1,058,487	45%
Midville					
Water and sewer system improvements, street improvements and major equipment, major police equipment, City Hall equipment, Community House improvements	1,170,000	406,212	123,032	529,244	45%
Keysville					
Water and sewer system projects, Multi- purpose building project, street & drainage improvements and equipment	780,000	270,808	82,021	352,829	45%
Girard					
Waterworks improvements, building renovations and additions, street and sidewalk improvements	390,000	135,403	41,010	176,413	45%
	<u>\$ 56,000,000</u>	<u>\$ 10,288,814</u>	<u>4,020,009</u>	<u>\$ 14,308,823</u>	<u>26%</u>
Roads, streets, and bridge costs funded by General Fund			130,788		
Roads, streets, and bridge costs funded by state LMIG program			658,274		
SPLOST III fund total expenditures			<u>\$ 4,809,071</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, 2016, 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 24, 2017. Our report includes a reference to other auditors who audited the financial statements of the Burke County Board of Health (Health Department), a discretely presented component unit, 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, Carl + Trantor

Statesboro, Georgia
March 24, 2017