BURKE COUNTY, GEORGIA

FINANCIAL REPORT

For the Year Ended September 30, 2009

BURKE COUNTY, GEORGIA

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Baird & Company *CPAs, LLC*
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Burke County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Burke County, Georgia as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Burke County Health Department, a discretely presented component unit, whose statements reflect total assets of $1,018,448 and total net assets of $968,366 as of June 30, 2009, and total revenues of $677,854 for the year then ended. 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 Health Department, is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2010, on our consideration of Burke County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Burke County, Georgia's basic financial statements. The combining and individual nonmajor fund statements and schedules described in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, and is also not a required part of the basic financial statements of Burke County, Georgia. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, the schedule of expenditures of state awards, the schedule of special purpose local option sales tax 2006 – 2012, have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
March 5, 2010

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, 2009 and 2008. 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 Assets presents information on all of the Government's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, public safety, highways and streets, health and welfare, and culture and recreation. 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. Separate financial statements have been issued and are available from the Burke County Health Department. Although legally separate from the Government, the Government appoints a voting majority of the boards for the Development Authority and the Board of Health.

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 Assets

Net Assets may serve over time as one useful indicator of a government's financial condition. The assets of the Government exceeded liabilities by $31.4 million and $31.3 million as of September 30, 2009 and September 30, 2008, respectively.

The largest portion of Burke County's net assets, 100% in 2009 and 97.5% in 2008, 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 Assets
September 30, 2009 and 2008

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	$ 4,066,141	$ 3,109,420	$ 230,174	$ 855,031	$ 4,296,315	$ 3,964,451
Capital assets	30,720,095	30,550,220	1,668,126	947,887	32,388,221	31,498,107
Total assets	34,786,236	33,659,640	1,898,300	1,802,918	36,684,536	35,462,558
Long-term liabilities outstanding	427,881	417,997	1,734,545	1,701,117	2,162,426	2,119,114
Other liabilities	2,974,233	1,893,341	150,650	101,801	3,124,883	1,995,142
Total liabilities	3,402,114	2,311,338	1,885,195	1,802,918	5,287,309	4,114,256
Net assets:						
Invested in capital assets, net of related debt	30,720,095	30,550,220	1,668,126	-	32,388,221	30,550,220
Unrestricted	664,027	798,082	(1,655,021)	-	(990,994)	798,082
Total net assets	$ 31,384,122	$ 31,348,302	$ 13,105	$ -	$ 31,397,227	$ 31,348,302

The balance of unrestricted net assets, 0% in 2009 and 2.5% in 2008, may be used to meet the Government's ongoing obligations to citizens and creditors.

The Government's net assets increased by $48,925 and $793,848 during the fiscal years ended September 30, 2009 and 2008, respectively. The 2009 increase includes prior period adjustment amounts.

Governmental activities

Governmental activities increased Burke County's net assets by $35,820 in 2009 and $783,696 in 2008 thereby accounting for 73.2% in 2009 and 98.7% in 2008 of the total change in the net assets of Burke County. The key factors in this change were a significant decrease in infrastructure amounts due to a prior period adjustment in 2009 and increased operating expenses such as health care costs during 2009. Also, 2009 saw sales tax revenues decrease due to the economic recession.

Business-type activities

Business-type activities increased Burke County's net assets by $13,105 in 2009 and $10,152 in 2008, accounting for 26.8% in 2009 and 1.3% in 2008 of the total change in the government's net assets.

Burke County's Changes in Net Assets
September 30, 2009 and 2008

	Governmental Activities		Business-type Activities		Total	
	Fiscal Year Ended September 30, 2009	Fiscal Year Ended September 30, 2008	Fiscal Year Ended September 30, 2009	Fiscal Year Ended September 30, 2008	Fiscal Year Ended September 30, 2009	Fiscal Year Ended September 30, 2008
Revenues:						
Program revenues:						
Charges for services	$ 2,305,175	$ 2,129,518	$ 689,526	$ 520,908	$ 2,994,701	$ 2,650,426
Operating grants and contributions	489,271	597,428	157,257	147,758	646,528	745,186
Capital grants and contributions	130,044	120,530			130,044	120,530
General revenues:						
Property taxes	15,693,350	15,253,157			15,693,350	15,253,157
Other taxes	6,543,811	7,315,718			6,543,811	7,315,718
Other	25,866	123,073			25,866	123,073
Total revenues	25,187,517	25,539,424	846,783	668,666	26,034,300	26,208,090
Expenses:						
General government	4,143,529	4,626,543			4,143,529	4,626,543
Public safety	11,986,816	11,562,693			11,986,816	11,562,693
Culture and recreation	956,872	873,924			956,872	873,924
Health and welfare	680,268	665,915			680,268	665,915
Highways and streets	5,249,177	5,655,382			5,249,177	5,655,382
Interest on long-term debt					-	-
Solid Waste			1,546,392	1,587,311	1,546,392	1,587,311
Transit			452,122	442,474	452,122	442,474
Total expenses	23,016,662	23,384,457	1,998,514	2,029,785	25,015,176	25,414,242
Increase in net assets before transfers	2,170,855	2,154,967	(1,151,731)	(1,361,119)	1,019,124	793,848
Transfers	(1,164,836)	(1,371,271)	1,164,836	1,371,271	-	-
Increase (Decrease) in net assets	1,006,019	783,696	13,105	10,152	1,019,124	793,848
Prior period adjustment	(970,199)	-			(970,199)	-
Net assets, beginning of period	31,348,302	30,564,606	-	(10,152)	31,348,302	30,554,454
Net assets, end of period	$ 31,384,122	$ 31,348,302	$ 13,105	$ -	$ 31,397,227	$ 31,348,302

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 unreserved 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 $1 million in 2009 and $1.2 million in 2008, of which $454 thousand in 2009, or 44%, and $629 thousand in 2008, or 54%, was unreserved.

General Fund

The General Fund is the primary operating fund of the Government. At the end of the current and previous fiscal years, unreserved, undesignated fund balance of the general fund was $3.1 million in 2009 and $3.6 million in 2008, while total fund balance was $3.7 million in 2009 and $4.1 million in 2008. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and net transfers out. Unreserved, undesignated fund balance represents 17.7 % in 2009 and 20.4 % in 2008 of total General Fund expenditures and net transfers out, while total fund balance represents 21% in 2009 and 23.4 % in 2008 of that same amount.

The fund balance of Burke County's General Fund decreased by $465,996 during the fiscal year ended September 30, 2009 and $460,800 during the fiscal year ended September 30, 2008. The key factors in this change were decreases in sales tax revenue in 2009 and increases in health care costs in 2008.

Capital Projects Funds

The Government uses Capital Projects Funds to account for the acquisition and construction of major capital facilities that are not financed by Proprietary Funds. A major fund in the fund financial statements is the Special Purpose Local Option Sales Tax II Fund. The proceeds of the special purpose 1% sales tax (SPLOST 2) are accounted for in this Capital Projects Fund until expenditures are incurred. The decrease in fund balance in 2009 of $84,253 and in 2008 of $374,584 was due to the timing difference of collections versus expenditures. Another major fund in the fund financial statements is the Other Capital Projects Fund. All other major capital projects for the County are accounted for in this Capital Projects Fund. There was a decrease in fund balance of $2,531 in 2009, due primarily to transportation contract modifications and no change in fund balance in 2008.

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 $354,954 due primarily to a new fire truck and two new ambulances budgeted for FY 2009 that did not arrive until FY 2010. Fund balance did not change during the fiscal year ended September 30, 2008 due to transfers from the General Fund to cover the expenditures over revenues.

Proprietary Funds

Burke County's proprietary funds provide the same type information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Solid Waste Fund amounted to $0 for the fiscal years ended September 30, 2009 and 2008, respectively. Unrestricted net assets in the Burke Transit Fund amounted to $13,105 and $0 for the fiscal years ended September 30, 2009 and 2008, respectively. The total growth in net assets in the Solid Waste Fund was $0 in 2009 and 2008. The total increase in net assets in the Burke Transit Fund was $13,105 and $10,152 for the fiscal years ended September 30, 2009 and 2008, respectively. These increases were due primarily to increased transfers from the General Fund. The Government's internal service funds, Vehicle Maintenance Fund and Facility Maintenance Fund, had unrestricted net assets of zero in 2009 and 2008 and total growth in net assets of zero during 2009 and 2008.

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 2009, the major difference between the original budget and the final amended budget were increases in transfers in and transfers out to and from other funds. These increases were due to increases in highway and street expenditures for infrastructure improvements. Actual revenues were $1,199,863 under budget (budget basis), largely due to public utility tax collections and sales tax collections coming in under budget. Actual expenditures were $480,123 under budget (budget basis), largely due to decreased Highways and Streets expenditures for maintaining roads caused mainly by decreases in fuel and personnel costs during the fiscal year ended September 30, 2009. The decreases in fuel costs are expected to reverse slightly during the next fiscal year.

For 2008, the major difference between the original budget and the final amended budget were increases in transfers in and transfers out to and from other funds. These increases were due to increases in highway and street expenditures for infrastructure improvements. Actual revenues were $405,666 under budget (cash basis), largely due to public utility tax collections coming in under budget. Actual expenditures were $266,907 over budget (cash basis), largely due to increased District Attorney expenditures, which are controlled by the Judicial Circuit instead of the County, County Jail expenditures increased substantially for salaries, overtime, and inmate food costs, and increased Highways and Streets expenditures caused mainly by unprecedented increases in fuel costs during the fiscal year ended September 30, 2008. The increases in fuel costs are expected to reverse during the next fiscal year.

Capital Assets and Debt Administration

Burke County's investment in capital assets for its governmental and business-type activities as of September 30, 2009 and 2008 amounted to $32,388,221 and $31,498,106, 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 2009 included the following:

- SPLOST-funded portion of road construction in the amount of $514,855
- General fund-funded portion of road construction in the amount of $1,333,515
- SPLOST-funded public building renovations/improvements in the amount of $827,386
- SPLOST-funded recreation building improvements in the amount of $354,179

Major capital asset transactions during 2008 included the following:

- SPLOST-funded portion of road construction in the amount of $1,553,075
- General fund-funded portion of road construction in the amount of $1,349,046
- SPLOST-funded public building renovations/improvements in the amount of $542,468

Additional information on Burke County's capital assets can be found in Note 5 to the financial statements of this report.

Burke County's Capital Assets
(net of depreciation)
September 30, 2009 and 2008

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Construction in progress	$ 647,292	$ 585,852	$ -	$ -	$ 647,292	$ 585,852
Land	822,935	822,935	1,026,552	436,146	1,849,487	1,259,081
Buildings	10,808,675	10,164,681	88,041	47,539	10,896,716	10,212,220
Improvements	-	-	37,489	39,825	37,489	39,825
Equipment	2,679,093	2,844,800	516,044	424,376	3,195,137	3,269,176
Infrastructure	15,762,100	16,131,952	-	-	15,762,100	16,131,952
Total	$ 30,720,095	$ 30,550,220	$ 1,668,126	$ 947,886	$ 32,388,221	$ 31,498,106

Long-Term Debt

Burke County had a total of $2,162,426 in outstanding long-term debt as of September 30, 2009 and $2,119,114 in outstanding long-term debt as of September 30, 2008. This entire amount is backed by the full faith and credit of the government. Burke County retired no outstanding bonds during the fiscal year ended September 30, 2009 and 2008. There were no bonds issued during 2009 or 2008.

Burke County's Outstanding Debt
General Obligation Bonds and Other Debt
September 30, 2009 and 2008

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Accrued compensated absences	$ 427,881	$ 417,997	$ 16,901	$ 20,448	$ 444,782	$ 438,445
Landfill closure costs	-	-	1,717,644	1,680,669	1,717,644	1,680,669
Total debt	$ 427,881	$ 417,997	$ 1,734,545	$ 1,701,117	$ 2,162,426	$ 2,119,114

It is to be noted that the County had outstanding tax anticipation notes, short-term in nature, in the amount of $1,000,000 payable at December 31, 2009.

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 under $161 million.

Additional information on Burke County's long-term debt can be found in Note 6 of the notes to the financial statements of this report.

Economic Factors and Next Year's Budget

In the past year we were faced with a serious economic recession that reduced revenues drastically. We had to make some adjustments mid year to reduce expenses. Our expenditures came in far below budget but still not below the actual revenues. This downturn in the economy still lingers on into 2010. However, the prospects for the next year do look better. The construction of two new reactors at Plant Vogtle will bring a big boost to the local economy and will help our sales tax revenue immediately.

The FY 2010 Budget was reduced greatly from previous years in order to keep within the limited revenue projections. The Board did not raise the millage rate for FY 2010 but instead cut expenses and restructured operations in a number of departments. These changes should have a long term benefit of streamlined operations. We do expect property tax to stay flat with a small increase in the sales tax as Vogtle construction ramps up.

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.

BASIC FINANCIAL STATEMENTS

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BURKE COUNTY, GEORGIA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
ASSETS					
Cash and cash equivalents	$ 1,041,259	$ 100	$ 1,041,359	$ 1,405,537	$ 580,252
Investments	908,756	-	908,756	1,000,000	380,117
Taxes receivable	1,219,429	-	1,219,429	-	-
Accounts receivable	-	54,310	54,310	204,325	4,765
Intergovernmental receivables	352,938	13,104	366,042	-	20,112
Internal balances	(162,660)	162,660	-	-	-
Other receivables	39,422	-	39,422	-	-
Inventory	576,925	-	576,925	2,104,681	-
Other assets	90,072	-	90,072	-	-
Capital assets (net of accumulated depreciation)					
Land	822,935	1,026,552	1,849,487	-	-
Construction in progress	647,292	-	647,292	-	-
Buildings and improvements	10,808,675	125,530	10,934,205	334,933	-
Furniture, fixtures, and equipment	2,679,093	516,044	3,195,137	13,653	33,202
Infrastructure	15,762,100	-	15,762,100	-	-
Total assets	$ 34,786,236	$ 1,898,300	$ 36,684,536	$ 5,063,129	$ 1,018,448
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable	$ 795,564	$ 126,711	$ 922,275	$ 9,255	$ -
Accrued liabilities	541,987	23,939	565,926	7,051	-
Tax anticipation notes	1,000,000	-	1,000,000	-	-
Intergovernmental payables	633,580	-	633,580	143,623	20,112
Unearned revenues	3,102	-	3,102	195,000	-
Noncurrent liabilities					
Due within one year	-	-	-	95,000	-
Due in more than one year	427,881	1,734,545	2,162,426	100,000	29,970
Total liabilities	3,402,114	1,885,195	5,287,309	549,929	50,082
Net Assets					
Invested in capital assets, net of related debt	30,720,095	1,668,126	32,388,221	-	33,202
Restricted	-	-	-	-	132,331
Unrestricted	664,027	(1,655,021)	(990,994)	4,513,200	802,833
Total net assets	$ 31,384,122	$ 13,105	$ 31,397,227	$ 4,513,200	$ 968,366

The notes to the financial statements are an integral part of this statement.

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BURKE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Development Authority	Component Units: Health Department
Primary government:									
Governmental activities:									
General government	$ 4,143,529	$ 667,671	$ 176,156	$ -	$ (3,299,702)	$ -	$ (3,299,702)	$ -	$ -
Public safety	11,986,816	1,504,696	113,132	-	(10,368,988)	-	(10,368,988)	-	-
Culture and recreation	956,872	110,478	84,250	-	(762,144)	-	(762,144)	-	-
Health and welfare	680,268	22,330	115,733	-	(542,205)	-	(542,205)	-	-
Highways and streets	5,249,177	-	-	130,044	(5,119,133)	-	(5,119,133)	-	-
Total governmental activities	23,016,662	2,305,175	489,271	130,044	(20,092,172)	-	(20,092,172)	-	-
Business-type activities:									
Solid Waste	1,546,392	508,487	-	-	-	(1,037,905)	(1,037,905)	-	-
Transit	452,122	181,039	157,257	-	-	(113,826)	(113,826)	-	-
Total business-type activities	1,998,514	689,526	157,257	-	-	(1,151,731)	(1,151,731)	-	-
Total primary government	$ 25,015,176	$ 2,994,701	$ 646,528	$ 130,044	(20,092,172)	(1,151,731)	(21,243,903)	-	-
Component units:									
Development Authority	$ 788,835	$ 719,400	$ 480,000	$ 238,689	-	-	-	649,254	-
Health Department	626,801	101,925	544,056	-	-	-	-	-	19,180
Total component units	$ 1,415,636	$ 821,325	$ 1,024,056	$ 238,689	-	-	-	649,254	19,180
General revenues:									
Property tax					15,640,699	-	15,640,699	-	-
Sales tax					5,289,231	-	5,289,231	-	-
Real estate transfer tax					32,286	-	32,286	-	-
Intangible tax					57,292	-	57,292	-	-
Timber tax					48,563	-	48,563	-	-
Alcoholic beverage tax					60,559	-	60,559	-	-
Hotel-motel tax					1,152	-	1,152	-	-
Insurance premium tax					700,246	-	700,246	-	-
Financial institution tax					32,347	-	32,347	-	-
Mobile home tax					48,459	-	48,459	-	-
Motor vehicle tax					309,703	-	309,703	-	-
Property not on digest					4,088		4,088		
Railroad tax					12,536	-	12,536	-	-
Interest income					25,866	-	25,866	29,203	31,873
Transfers					(1,164,836)	1,164,836	-	-	-
Total general revenues and transfers					21,098,191	1,164,836	22,263,027	29,203	31,873
Change in net assets					1,006,019	13,105	1,019,124	678,457	51,053
NET ASSETS, BEGINNING OF YEAR					31,348,302	-	31,348,302	3,834,743	917,313
PRIOR PERIOD ADJUSTMENTS					(970,199)	-	(970,199)	-	-
NET ASSETS, BEGINNING OF YEAR, RESTATED					30,378,103	-	30,378,103	3,834,743	917,313
NET ASSETS, END OF YEAR					$ 31,384,122	$ 13,105	$ 31,397,227	$ 4,513,200	$ 968,366

The notes to the financial statements are an integral part of this statement.

BURKE COUNTY, GEORGIA
BALANCE SHEETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	General Fund	Fire Protection Fund	Special Purpose Local Option Sales Tax II Fund	Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 861,610	$ 100	$ 1,000	$ 17,544	$ 161,005	$ 1,041,259
Investments	-	-	908,756	-	-	908,756
Taxes receivable	937,470	27,596	254,363	-	-	1,219,429
Intergovernmental receivables	271,461	17,088	52,467	-	11,922	352,938
Interfund receivables	3,022,132	-	-	-	33,546	3,055,678
Other receivables	-	-	-	-	39,422	39,422
Inventory	576,925	-	-	-	-	576,925
Other assets	90,072	-	-	-	-	90,072
Total assets	$ 5,759,670	$ 44,784	$ 1,216,586	$ 17,544	$ 245,895	$ 7,284,479

The notes to the financial statements are an integral part of this statement.

BURKE COUNTY, GEORGIA
BALANCE SHEETS – Continued
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	General Fund	Fire Protection Fund	Special Purpose Local Option Sales Tax II Fund	Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 309,891	$ 19,319	$ 105,416	$ 355,615	$ 5,323	$ 795,564
Accrued liabilities	301,169	234,404	-	-	6,414	541,987
Tax anticipation notes	1,000,000	-	-	-	-	1,000,000
Intergovernmental payables	115,525	-	518,055	-	-	633,580
Interfund payables	320,481	2,158,071	653,684	86,102	-	3,218,338
Deferred revenues	41,989	18,630	-	-	3,102	63,721
Total liabilities	2,089,055	2,430,424	1,277,155	441,717	14,839	6,253,190
Fund Balances						
Reserved for inventory	576,925	-	-	-	-	576,925
Unreserved, reported in:						
General Fund	3,093,690	-	-	-	-	3,093,690
Special Revenue Funds	-	(2,385,640)	-	-	231,056	(2,154,584)
Capital Projects Funds	-	-	(60,569)	(424,173)	-	(484,742)
Total fund balances	3,670,615	(2,385,640)	(60,569)	(424,173)	231,056	1,031,289
Total liabilities and fund balances	$ 5,759,670	$ 44,784	$ 1,216,586	$ 17,544	$ 245,895	$ 7,284,479

The notes to the financial statements are an integral part of this statement.

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BURKE COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
SEPTEMBER 30, 2009

Total fund balances - governmental funds	$ 1,031,289
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	822,935
Construction in progress	647,292
Infrastructure	31,858,368
Buildings and improvements	17,634,423
Furniture, fixtures, and equipment	12,736,392
Accumulated depreciation	(32,979,315)
Total capital assets - governmental activities	30,720,095
Some revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. This balance reflects deferred property tax revenues.	60,619
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:	
Accrued compensated absences	(427,881)
Net assets of governmental activities	$ 31,384,122

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

	General Fund	Fire Protection Fund	Special Purpose Local Option Sales Tax II Fund	Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 13,881,411	$ 5,241,884	$ 3,110,424	$ -	$ 1,152	$ 22,234,871
Intergovernmental	272,831	113,132	-	112,499	183,132	681,594
Charges for services	321,942	986,482	-	-	362,100	1,670,524
Fines and forfeitures	351,510	-	-	-	85,082	436,592
Licenses and permits	64,769	-	-	-	-	64,769
Interest	23,652	-	2,122	92	-	25,866
Other	52,121	1,024	-	17,545	321	71,011
Total revenues	14,968,236	6,342,522	3,112,546	130,136	631,787	25,185,227
EXPENDITURES						
Current						
General government	3,724,866	-	-	-	75,714	3,800,580
Public safety	4,549,807	6,777,609	-	-	279,048	11,606,464
Culture and recreation	1,098,207	-	-	-	85,139	1,183,346
Health and welfare	585,683	-	-	-	75,240	660,923
Highways and streets	3,796,517	-	-	-	-	3,796,517
Capital outlay	-	-	1,463,964	1,390,669	-	2,854,633
Total expenditures	13,755,080	6,777,609	1,463,964	1,390,669	515,141	23,902,463
Excess (deficiency) of revenues over expenditures	1,213,156	(435,087)	1,648,582	(1,260,533)	116,646	1,282,764

The notes to the financial statements are an integral part of this statement.

BURKE COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - Continued
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General Fund	Fire Protection Fund	Special Purpose Local Option Sales Tax II Fund	Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Transfers in	$ 2,037,419	$ 790,041	$ -	$ 3,255,840	$ -	$ 6,083,300
Transfers out	(3,716,571)	-	(1,732,835)	(1,997,838)	(39,581)	(7,486,825)
Total other financing sources (uses)	(1,679,152)	790,041	(1,732,835)	1,258,002	(39,581)	(1,403,525)
NET CHANGE IN FUND BALANCE	(465,996)	354,954	(84,253)	(2,531)	77,065	(120,761)
FUND BALANCE, BEGINNING OF YEAR	4,136,611	(2,740,594)	23,684	(421,642)	159,691	- 1,157,750
PRIOR PERIOD ADJUSTMENT	-	-	-	-	(5,700)	(5,700)
FUND BALANCE, BEGINNING OF YEAR, RESTATED	4,136,611	(2,740,594)	23,684	(421,642)	153,991	1,152,050
FUND BALANCE, END OF YEAR	$ 3,670,615	$ (2,385,640)	$ (60,569)	$ (424,173)	$ 231,056	$ 1,031,289

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

Net change in fund balances - governmental funds	$ (120,761)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay is reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. For the current year, these amounts were:	
Capital outlay	3,556,118
Depreciation expense	(2,505,997)
Excess of capital outlay over depreciation expense	1,050,121
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets	
Disposals of capital assets, net of accumulated depreciation	84,253
Because some revenue will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased by this amount.	2,290
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. Accrued compensated absences increased by this amount.	(9,884)
Change in net assets of governmental activities	$ 1,006,019

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

	Budgeted Amounts			
	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	$ 15,023,699	$ 15,023,699	$ 13,881,411	$ (1,142,288)
Intergovernmental	248,900	248,900	272,831	23,931
Licenses and permits	86,000	86,000	64,769	(21,231)
Charges for services	292,900	298,900	321,942	23,042
Fines and forfeitures	350,200	350,200	351,510	1,310
Interest	90,000	90,000	23,652	(66,348)
Other	70,400	70,400	52,121	(18,279)
Total revenues	16,162,099	16,168,099	14,968,236	(1,199,863)
EXPENDITURES				
General government	3,856,998	3,856,998	3,724,866	(132,132)
Public safety	4,486,787	4,486,787	4,549,807	63,020
Culture and recreation	1,092,661	1,098,661	1,098,207	(454)
Health and welfare	620,905	620,905	585,683	(35,222)
Highways and streets	4,171,852	4,171,852	3,796,517	(375,335)
Total expenditures	14,229,203	14,235,203	13,755,080	(480,123)
Excess of revenues over expenditures	1,932,896	1,932,896	1,213,156	(719,740)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,502,000	3,128,315	2,037,419	(1,090,896)
Transfers out	(3,434,896)	(5,061,211)	(3,716,571)	1,344,640
Total other financing sources (uses)	(1,932,896)	(1,932,896)	(1,679,152)	253,744
CHANGE IN FUND BALANCE	$ -	$ -	(465,996)	$ (465,996)
FUND BALANCE, BEGINNING OF YEAR			4,136,611	
FUND BALANCE, END OF YEAR			$ 3,670,615	

The notes to the financial statements are an integral part of this statement.

BURKE COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FIRE PROTECTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts			
	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	$ 5,405,711	$ 5,405,711	$ 5,241,884	$ (163,827)
Intergovernmental	102,880	174,309	113,132	(61,177)
Charges for services	966,250	966,250	986,482	20,232
Other	2,000	2,000	1,024	(976)
Total revenues	6,476,841	6,548,270	6,342,522	(205,748)
EXPENDITURES				
Public safety	7,266,882	7,338,311	6,777,609	(560,702)
Total expenditures	7,266,882	7,338,311	6,777,609	(560,702)
Excess (deficiency) of revenues over expenditures	(790,041)	(790,041)	(435,087)	354,954
OTHER FINANCING SOURCES (USES)				
Transfers in	790,041	790,041	790,041	-
Transfers out	-	-	-	-
Total other financing sources	790,041	790,041	790,041	-
CHANGE IN FUND BALANCE	$ -	$ -	354,954	$ 354,954
FUND BALANCE, BEGINNING OF YEAR			(2,740,594)	
FUND BALANCE, END OF YEAR			$ (2,385,640)	

The notes to the financial statements are an integral part of this statement.

BURKE COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2009

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste Fund	Transit Fund	Total	
ASSETS				
Current assets				
Cash	$ 100	$ -	$ 100	$ -
Accounts receivable	54,310	-	54,310	-
Intergovernmental receivables	-	13,104	13,104	-
Interfund receivables	286,935	-	286,935	115,526
Total current assets	341,345	13,104	354,449	115,526
Capital assets				
Land	1,026,552	-	1,026,552	-
Improvements	70,123	-	70,123	-
Buildings	97,410	-	97,410	-
Machinery and equipment	694,314	261,623	955,937	-
	1,888,399	261,623	2,150,022	-
Less accumulated depreciation	(361,087)	(120,809)	(481,896)	-
Total capital assets, net of accumulated depreciation	1,527,312	140,814	1,668,126	-
Total assets	$ 1,868,657	$ 153,918	$ 2,022,575	$ 115,526
LIABILITIES AND NET ASSETS				
Liabilities				
Current Liabilities				
Accounts payable	$ 126,663	$ 48	$ 126,711	$ 82,935
Accrued wages	13,299	10,640	23,939	32,591
Interfund payables	-	124,276	124,276	-
Total current liabilities	139,962	134,964	274,926	115,526
Long-Term Liabilities				
Accrued vacation	11,051	5,850	16,901	-
Accrued closure and postclosure costs	1,717,644	-	1,717,644	-
Total long-term liabilities	1,728,695	5,850	1,734,545	-
Total liabilities	1,868,657	140,814	2,009,471	115,526
Net Assets				
Invested in capital assets, net of related debt	1,527,312	140,814	1,668,126	-
Unrestricted	(1,527,312)	(127,710)	(1,655,022)	-
Total net assets	-	13,104	13,104	-
Total liabilities and net assets	$ 1,868,657	$ 153,918	$ 2,022,575	$ 115,526

The notes to the financial statements are an integral part of this statement.

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

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste Fund	Transit Fund	Total	
OPERATING REVENUES				
Charges for services	$ 508,486	$ 181,039	$ 689,525	$ 2,553,243
Total operating revenues	508,486	181,039	689,525	2,553,243
OPERATING EXPENSES				
Personnel services	387,534	269,366	656,900	890,543
Operations	1,110,276	135,022	1,245,298	1,662,700
Depreciation	48,582	47,734	96,316	-
Total operating expenses	1,546,392	452,122	1,998,514	2,553,243
Operating loss	(1,037,906)	(271,083)	(1,308,989)	-
NON-OPERATING REVENUES				
Operating grants	-	157,257	157,257	-
Total non-operating revenues	-	157,257	157,257	-
Loss before transfers	(1,037,906)	(113,826)	(1,151,732)	-
TRANSFERS IN				
Transfer in	1,037,906	126,930	1,164,836	-
CHANGE IN NET ASSETS	-	13,104	13,104	-
NET ASSETS, BEGINNING OF YEAR	-	-	-	-
NET ASSETS, END OF YEAR	$ -	$ 13,104	$ 13,104	$ -

The notes to the financial statements are an integral part of this statement

BURKE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste Fund	Transit Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 513,847	$ 279,882	$ 793,729	$ 2,573,926
Other cash receipts (disbursements)	678,483	(157,828)	520,655	-
Cash paid to suppliers and others	(1,026,436)	(135,159)	(1,161,595)	(1,684,598)
Cash paid to employees	(392,010)	(266,316)	(658,326)	(889,328)
Total cash used in operating activities	(226,116)	(279,421)	(505,537)	-
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers in	1,037,906	126,930	1,164,836	-
Operating grants	-	157,257	157,257	-
Total cash provided by noncapital and related financing activities	1,037,906	284,187	1,322,093	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(811,790)	(4,766)	(816,556)	-
Total cash used in capital and related financing activities	(811,790)	(4,766)	(816,556)	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	100	-	100	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 100	$ -	$ 100	$ -
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES				
Operating loss	$ (1,037,906)	$ (271,083)	$ (1,308,989)	$ -
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	48,582	47,734	96,316	-
Changes in assets and liabilities:				
Accounts receivable	5,361	98,843	104,204	20,683
Interfund receivables	678,483	(157,828)	520,655	-
Accounts payable	46,866	(137)	46,729	(21,898)
Accrued liabilities	(4,476)	3,050	(1,426)	1,215
Accrued landfill closure and postclosure	36,974	-	36,974	-
Total cash used in operating activities	$ (226,116)	$ (279,421)	$ (505,537)	$ -

The notes to the financial statements are an integral part of this statement.

BURKE COUNTY, GEORGIA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
SEPTEMBER 30, 2009

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 588,438
Total assets	$ 588,438
LIABILITIES	
Due to others	$ 588,438
Total liabilities	$ 588,438

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

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 County has implemented GASB No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments* and related standards. These standards provide for significant changes in terminology and presentation for the inclusion of Management's Discussion and Analysis as required supplementary information. 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

In accordance with GASB No. 34, 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 assets and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component units. Eliminations have been made to minimize the double counting of internal activities. 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. Indirect expense allocations that have been made in the funds have been reversed for the statement of 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

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 the 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 protection and emergency management activities.

Special Purpose Local Option Sales Tax II 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 commencing April 2006.

Other Capital Projects Fund – This fund was established to account for all other capital projects not accounted for in one of the other capital project funds.

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 assets and statement of activities to emphasize legal separation from the County.

Those discretely presented component units are:

Development Authority of Burke County – The 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. No separate financial statements are issued for the Development Authority of Burke County.

Burke County Health Department – The 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, 2009. Separate financial statements have been issued and are available from the Burke County Health Department.

The following component units have been included in the financial statements as blended component units:

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 the 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.

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, 2009. The County maintained deposits with financial institutions that are in excess of the federally insured amounts.

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 Treasury and Fiscal Services is the regulatory oversight agency.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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. Reported inventories are equally offset by a fund balance reserve that indicates that they do not constitute "available spendable resources".

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, plant, 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
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 assets in the government-wide financial statements. Internal balances are eliminated in the government-wide financial statements.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 assets.

Net Assets/Fund Equity
Net assets in the government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute.

The equity section of the governmental fund financial statements balance sheet is comprised of these fund balance elements: reserved for inventory, reserved for designated purposes, and unreserved. Reserves represent the portion of fund balance that is (1) not available for appropriations or expenditures and/or (2) is segregated legally for a specific future use.

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, 2009, the County had the following investments:

Investments	Maturities	Fair Value	Credit Rating
Primary Government:			
Georgia Fund 1	Average of 12 days	$ 908,756	AAAm
Discretely Presented Component Unit - Development Authority of Burke County:			
Certificates of deposit	-	$ 1,000,000	-

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.

NOTE 2 – DEPOSITS AND INVESTMENTS – Continued

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.

NOTE 3 – 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. Property taxes receivable, reduced by an allowance for doubtful accounts and amounts collected within 60 days of the statement date (the amount "available"), is recorded as deferred until collected. Such revenue is deferred because it is measurable though not available.

Current year property taxes were levied on December 1, 2008, and due February 20, 2009. A summary of current year property tax levy is a follows:

	General Fund	Fire Protection Fund
Millage rates		
Unincorporated	6.264	3.562
Incorporated	6.732	3.562
Property tax levy	$ 10,134,565	$ 5,360,049
Property taxes receivable at September 30, 2009	$ 101,158	$ 46,226
Allowance for uncollectible accounts	(41,989)	(18,630)
Net property taxes receivable at September 30, 2009	$ 59,169	$ 27,596
Deferred property tax revenues at September 30, 2009	$ 41,989	$ 18,630

NOTE 4 – PUBLIC UTILITIES TAX

Public Utility taxes accounted for approximately 72% of the current year tax digest.

NOTE 5 – CAPITAL ASSETS

Governmental capital asset activity for the year ended September 30, 2009, was as follows:

	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009
Capital assets not being depreciated				
Land	$ 822,935	$ -	$ -	$ 822,935
Construction in progress	585,852	542,267	(480,827)	647,292
Total capital assets not being depreciated	1,408,787	542,267	(480,827)	1,470,227
Capital assets being depreciated				
Infrastructure	30,974,497	1,848,370	(964,499)	31,858,368
Buildings and improvements	16,566,472	1,067,951	-	17,634,423
Furniture, fixtures, and equipment	12,196,637	578,357	(38,602)	12,736,392
Total capital assets being depreciated	59,737,606	3,494,678	(1,003,101)	62,229,183
Less accumulated depreciation				
Infrastructure	(14,842,545)	(1,376,578)	122,855	(16,096,268)
Buildings and improvements	(6,401,791)	(423,957)	-	(6,825,748)
Machinery and equipment	(9,351,837)	(705,462)	-	(10,057,299)
Total accumulated depreciation	(30,596,173)	(2,505,997)	122,855	(32,979,315)
Net capital assets being depreciated	29,141,433	988,681	(880,246)	29,249,868
Governmental activities capital assets - net	$ 30,550,220	$ 1,530,948	$ (1,361,073)	$ 30,720,095

Depreciation expense was charged to functions as follows:

General government	$ 225,480
Public safety	557,953
Culture and recreation	138,622
Health and welfare	19,345
Highways and streets	1,564,597
Total depreciation expense - governmental activities	$ 2,505,997

NOTE 5 – CAPITAL ASSETS – Continued

Business-type capital asset activity for the year ended September 30, 2009, was as follows:

	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009
Capital assets not being depreciated				
Land	$ 436,146	$ 590,406	$ -	$ 1,026,552
Capital assets being depreciated				
Buildings	55,520	41,890	-	97,410
Improvements	70,123	-	-	70,123
Machinery and equipment	771,677	184,260	-	955,937
Total capital assets being depreciated	897,320	226,150	-	1,123,470
Less accumulated depreciation				
Buildings	(7,981)	(1,388)	-	(9,369)
Improvements	(30,298)	(2,336)	-	(32,634)
Machinery and equipment	(347,301)	(92,592)	-	(439,893)
Total accumulated depreciation	(385,580)	(96,316)	-	(481,896)
Net capital assets being depreciated	511,740	129,834	-	641,574
Business-type activities capital assets - net	$ 947,886	$ 720,240	$ -	$ 1,668,126

Depreciation expense was charged as follows:

Solid Waste Fund	$ 48,582
Transit Fund	47,734
Total depreciation expense - business-type activities	$ 96,316

Capital asset activity for Development Authority component unit for the year ended September 30, 2009, was:

	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009
Capital assets being depreciated				
Buildings and improvements	$ 1,355,643	$ -	$ -	$ 1,355,643
Machinery and equipment	21,639	-	-	21,639
Less accumulated depreciation				
Machinery and equipment	(4,895)	(3,091)	-	(7,986)
Buildings	(953,602)	(67,108)	-	(1,020,710)
Development Authority capital assets - net	$ 418,785	$ (70,199)	$ -	$ 348,586

NOTE 5 – CAPITAL ASSETS – Continued

Capital asset activity for Health Department component unit during the year was:

	Balance 7/1/2008	Additions	Deletions	Balance 6/30/2009
Capital assets being depreciated				
Furniture, fixtures, and equipment	$ 156,954	$ -	$ -	$ 156,954
Less accumulated depreciation	(108,056)	(15,696)	-	(123,752)
Health Department capital assets - net	$ 48,898	$ (15,696)	$ -	$ 33,202

NOTE 6 – LONG-TERM DEBT

The following is a summary of long-term liability activity for governmental activities and business type activities for the year ended September 30, 2009:

Governmental Activities	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009
Accrued compensated absences	$ 417,997	$ 479,287	$ (469,403)	$ 427,881
Total	$ 417,997	$ 479,287	$ (469,403)	$ 427,881
Business-type Activities				
Accrued landfill closure and postclosure costs	$ 1,680,669	$ 51,750	$ (14,775)	$ 1,717,644
Accrued compensated absences	20,448	23,117	(26,664)	16,901
Total	$ 1,701,117	$ 74,867	$ (41,439)	$ 1,734,545

The following is a summary of short term borrowing for governmental activities during the year ended September 30, 2009:

Governmental Activities	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009
Tax anticipation notes				
Regions Bank	$ -	$ 3,500,000	$ (3,500,000)	$ -
Capital City Bank	-	4,000,000	(4,000,000)	-
SunTrust Bank	-	1,000,000	-	1,000,000
Total	$ -	$ 8,500,000	$ (7,500,000)	$ 1,000,000

NOTE 6 – LONG-TERM DEBT – Continued

The County issued tax anticipation notes on October 2, 2008 in the amount of $3,500,000 at 2.34%, on January 1, 2009 in the amount of $4,000,000 at 3.86% and on September 15, 2009 in the amount of $1,000,000 at 2.02%. The proceeds from the short term borrowings were used to meet the cash flow needs of the government until receipt of property tax revenues. Principal and interest were paid on all of the notes prior to September 30, 2009 except for the SunTrust Bank note issued in the amount of $1,000,000 at 2.02%.

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

Development Authority	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009	Amounts Due Within One Year
Industrial Development Revenue Bonds	$ 280,000	$ -	$ (85,000)	$ 195,000	$ 95,000
Total	$ 280,000	$ -	$ (85,000)	$ 195,000	$ 95,000

Health Department	Balance 7/1/2008	Additions	Deletions	Balance 6/30/2009
Accrued compensated absences	$ 28,844	$ 27,162	$ (26,036)	$ 29,970
Total	$ 28,844	$ 27,162	$ (26,036)	$ 29,970

The $1,100,000 Industrial Development Revenue Bonds, Series 1991 bearing interest at 7.5% were issued by the Authority to provide funds for the acquisition and construction of a manufacturing facility in Burke County. The Authority entered into a long-term lease agreement with a private company to separately lease the facility over the life of the bonds. The bonds are payable from and secured by the Authority's interest in the contract with Burke County (as described below) and all debt service funds pending disbursement. The bonds are limited obligations of the Authority and are not obligations of the County.

The Series 1991 bonds mature in 2011. The County makes annual principal payments and semiannual interest payments on the bonds.

The bond indentures provide covenants related to the establishment of certain accounts and funds. The Authority is in compliance with all significant requirements of the covenants.

The Authority has entered into a contract for the provision of industrial development services with Burke County that provides for the County, in exchange for the monthly lease payments on the properties, to pay to the Authority sufficient funds to provide for the payment of principal and interest on the bonds as due to bondholders. These contracts are general obligations of the County, the payment of which is backed by the full faith and credit of the County.

NOTE 6 – LONG-TERM DEBT – Continued

Maturities of the Development Authority long term debt are as follow:

For the year ending September 30,	Principal	Interest	Total Debt Service
Series 1991:			
2010	$ 95,000	$ 11,063	$ 106,063
2011	100,000	3,750	103,750
Total	$ 195,000	$ 14,813	$ 209,813

The long-term lease agreement with the private company is accounted for by the County as a direct-financing lease and expires at the maturity of the bond issue. Lease payments are monthly and approximate the monthly debt service requirements of the bonds. The lessee may purchase the leased property at any time during the lease term for the amount of the bonds outstanding at that time. All operational costs of the property are the responsibility of the lessee.

NOTE 7 – EXCESSES OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

Excesses of expenditures over appropriations (modified accrual basis budget) for the year ended September 30, 2009, were as follow:

	Budget	Actual	Excess
General Fund			
Legal Services	$ 19,711	$ 35,324	$ 15,613
Burke Office Park	121,764	159,699	37,935
Clerk of Court	373,762	375,587	1,825
State Court	137,607	158,078	20,471
Juvenile Court	50,279	51,703	1,424
Tax Commissioner	339,330	367,088	27,758
Planning Commission	221,186	229,701	8,515
Airport	16,200	17,555	1,355
Burke County Service Center	20,000	26,238	6,238
Coroner	25,738	32,277	6,539
County Jail	2,003,935	2,106,093	102,158
Library	314,244	315,006	762
Health Department	200,000	207,830	7,830

The County funded expenditures in excess of appropriations through accumulated fund balances and transfers.

NOTE 8 – INTERFUND RECEIVABLES, INTERFUND PAYABLES AND TRANSFERS

A summary of interfund receivables and payables as of September 30, 2009, 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	
General Fund	Fire Protection	$ 2,158,071
General Fund	SPLOST II	653,684
General Fund	Capital Projects	86,102
General Fund	Transit	124,276
Solid Waste	General Fund	286,935
Vehicle Maintenance	General Fund	93,453
Facility Maintenance	General Fund	22,073
E911	General Fund	28,091
Small Grants Fund	General Fund	5,455
Total		$ 3,458,140

A summary of transfers for the year ended September 30, 2009, is as follows:

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

Funds	Transfers In	Transfers Out
General Fund	$ 2,037,419	$ (3,716,571)
Fire Protection	790,041	-
Solid Waste	1,037,906	-
Transit	126,930	-
SPLOST II	-	(1,732,835)
Development Authority	238,689	-
Hotel Motel	-	(1,152)
Other Capital Projects	3,255,840	(1,997,838)
Small Grants	-	(38,429)
Total Interfund Payable	$ 7,486,825	$ (7,486,825)

NOTE 9 – RETIREMENT PLAN

The County contributes to 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.

Complete financial statements of the Association County Commissioners of Georgia can be obtained at the following:

Association County Commissioners of Georgia Pension Plan
1100 Circle 75 Parkway, Suite 300
Atlanta, Georgia, 30339

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides benefits upon retirement, disability, death, and termination of employment, if certain eligibility conditions are met.

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 State of Georgia statutes.

All full-time County employees are eligible to participate in the Plan after reaching age 21 and completing at least one year of service.

Participant counts as of January 1, 2009, (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees and beneficiaries	36
Deferred vested (former employees)	104
Active participants	288
Disable in Pay Status	8
Total	436
Covered compensation	$10,462,668

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.

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 60% in equities and 40% in fixed income securities on a cost basis.

NOTE 9 – RETIREMENT PLAN – Continued

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the minimum funding standards for State and local governmental pension plans. 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.

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of actuarial accrued liability provides one indication of funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater the percentage, the stronger the Plan.

Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the Plan.

The following is an analysis of pension plan funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	(Funded) Unfunded (AAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Funded) Unfunded AAL as a Percentage of of Covered Payroll (b-a)(c)
9/30/1999	5,114,631	4,824,271	(290,360)	106.0 %	6,627,521	4.4 %
9/30/2000	5,797,021	5,940,785	143,764	97.6 %	6,348,596	2.3 %
9/30/2001	4,817,039	7,937,691	3,120,652	60.7 %	6,748,359	46.2 %
9/30/2002	5,094,589	10,852,079	5,757,490	46.9 %	7,096,528	81.1 %
9/30/2003	5,572,860	8,190,871	2,618,011	68.0 %	6,928,416	37.8 %
12/31/2003	6,316,218	8,422,273	2,106,055	75.0 %	6,928,416	30.4 %
12/31/2004	7,369,428	9,828,856	2,459,428	75.0 %	7,486,796	32.9 %
12/31/2005	8,211,736	12,021,118	3,809,382	68.3 %	8,502,260	44.8 %
12/31/2006	9,517,535	12,370,946	2,853,411	76.9 %	8,547,413	33.4 %
12/31/2007	10,693,254	14,010,196	3,316,942	76.3 %	9,464,263	35.0 %
12/31/2008	10,818,776	15,499,018	4,680,242	69.8 %	10,019,734	46.7 %

NOTE 9 – RETIREMENT PLAN – Continued

The following schedule shows actuarial present value of accumulated plan benefits as of December 31, 2009, the most recent actuarial report available:

Vested:	
Retirees (and others in pay status)	$ 3,153,147
Deferred vested (former employees)	1,514,079
Vested active participants	8,401,002
Total	13,068,228
Non-vested	993,238
Total	14,061,466
Effect of future salary increases	1,491,448
Total actuarial accrued liability	$ 15,552,914
Net assets available for benefits (including receivables)	$ 9,015,647
Deficit of net assets in excess of actuarial present value of accumulated plan benefits	$ (5,045,819)
Principal Actuarial Assumptions	
Investment return	7.75%
Rate of future salary increases (not applicable to accumulated plan benefit calculations)	3-5.5%

The County has made contributions to the Plan as shown below. Employees do not contribute to the plan.

Plan Year Ended	Annual Required Contribution	Percentage Contributed
September 30, 2000	$ 548,103	100.0%
September 30, 2001	652,000	100.0%
September 30, 2002	683,913	100.0%
September 30, 2003	783,799	100.0%
December 31, 2003	192,748	100.0%
December 31, 2004	894,264	76.6%
December 31, 2005	901,998	83.9%
December 31, 2006	911,807	90.0%
December 31, 2007	996,448	85.4%
December 31, 2008	1,076,132	84.4%

NOTE 9 – RETIREMENT PLAN – Continued

The Plan information presented was determined as part of the actuarial valuation as of January 1, 2009. The following summarizes the actuarial methods and assumptions used in that valuation:

Current Valuation Date	January 1, 2009
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	3.0-5.5% based on age
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Cost
Amortization Method	Level Percent of Pay (Closed)

NOTE 10 – 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 $1,717,644 as of September 30, 2009. 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 acquired as of September 30, 2009. However, the actual cost of postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The County expects to finance the costs for the estimated landfill postclosure care costs as they become due during the coming twenty years through the regular operations of the County. Current year postclosure costs totaled $14,775.

NOTE 11 – 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, 2009, the County paid $14,593 in such dues, which was based on a per capita amount of $.55. The CSRA RC Board membership is composed of one city official, one county 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

NOTE 12 – HOTEL/MOTEL LODGING TAX

The County has levied a 5% lodging tax. A summary of the transactions for the year ended September 30, 2009, follows:

Lodging tax receipts	$ 1,152
Funds transferred to General Fund during the period on promotion of tourism	(1,152)
Balance of lodging tax funds on hand at September 30, 2009	$ -

NOTE 13 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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, 2009, the County had recorded no liability for claims. The County is covered by commercial insurance.

The County has joined together with other municipalities 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, 2009, are as follow:

Unpaid claims, beginning of fiscal year	$ 348,755
Incurred claims	330,219
Claim payments	(477,380)
Adjustments	432,861
Unpaid claims, September 30, 2009	$ 634,455

NOTE 14 – COMMITMENTS AND CONTINGENCIES

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

NOTE 15 – DEFICIT IN FUND EQUITY

The Fire Protection Fund, SPLOST II Fund, and Other Capital Projects Fund had deficit fund balances of $2,385,642, $60,570 and $424,172, respectively as of September 30, 2009. The deficits will be funded through future operations and transfers from the General Fund, as needed.

NOTE 16 - DEFERRED/UNEARNED REVENUES

The balances of deferred revenues in the fund financial statements (including both deferred and unearned amounts) and unearned revenues in the Statement of Net Assets as of September 30, 2009, are comprised of the following:

	Deferred Revenue	Unearned Revenue
Taxes receivable and unavailable to General Fund as of year end	$ 41,989	$ -
Taxes receivable and unavailable to Fire Protection Fund as of year end	18,630	-
Grant revenue received in advance of year end and unspent	-	3,102
Total	$ 60,619	$ 3,102

NOTE 17 – PRIOR PERIOD ADJUSTMENT

Appropriation checks were not paid to the Burke County Victims Assistance Program in the prior fiscal year for June, July and August as details were being finalized between County management and Agency management. Upon agreeing to terms, funds held by the Agency were turned over to the County during FY 2009 that were on hand at September 30, 2009 and a one time appropriation was made to the agency for those funds. However, the funds covering those three months in the prior year were not transferred. A prior period adjustment is necessary to record the expenditures for three months' of appropriation to the Burke County Victims Assistance Program Agency

Month	Amount
June, 2008	$ 1,900
July, 2008	1,900
August, 2008	1,900
	$ 5,700

.

A prior period adjustment in the amount of $964,499 was made to reduce fixed assets. Items recorded as equipment for road construction cost were also recorded as infrastructure which overstated fixed assets.

NOTE 18 – SUSBSEQUENT EVENTS

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through March 5, 2010, the date the financial statements were issued.

INDIVIDUAL AND COMBINING FUND STATEMENTS

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GENERAL FUND

The General Fund is used to account for all of the County's financial resources except those resources that must be accounted for in a special purpose fund. Current inflows are typically from revenue sources such as property taxes, fines, and penalties. Current outflows are generally related to the provision of various governmental services such as health and welfare, public safety, and general governmental administration.

BURKE COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Ad valorem taxes	$ 2,701,889	$ 2,701,889	$ 2,490,733	$ (211,156)
Commissions	550,000	550,000	536,144	(13,856)
Penalties and interest	110,000	110,000	173,059	63,059
Real estate transfer tax	35,000	35,000	32,286	(2,714)
Alcoholic beverage tax	55,000	55,000	60,559	5,559
Homeowners tax relief grant	222,000	222,000	231,645	9,645
Mobile home taxes	50,000	50,000	48,459	(1,541)
Financial institution tax	28,000	28,000	32,347	4,347
Motor vehicle taxes	300,000	300,000	309,703	9,703
Intangible tax	70,000	70,000	57,292	(12,708)
Public utilities tax	7,655,310	7,655,310	6,964,944	(690,366)
Railroad tax	11,000	11,000	12,536	1,536
Timber tax	35,500	35,500	48,563	13,063
Property not on digest	-	-	4,088	4,088
Local option sales tax	2,500,000	2,500,000	2,178,807	(321,193)
Insurance premium tax	700,000	700,000	700,246	246
Total taxes	15,023,699	15,023,699	13,881,411	(1,142,288)
Intergovernmental				
Natural Resources Conservation Service	12,500	12,500	19,144	6,644
Indigent defense grant	15,000	15,000	10,691	(4,309)
Juvenile Judge grant	21,500	21,500	21,500	-
Federal Grant - Senior Citizens	127,000	127,000	107,331	(19,669)
State Grant - Senior Citizens	-	-	8,402	8,402
U.S. Treasury payment in lieu of taxes	11,400	11,400	25,819	14,419
Inmate medical fees	1,500	1,500	-	(1,500)
Inmate housing	60,000	60,000	79,944	19,944
Total intergovernmental	248,900	248,900	272,831	23,931
Licenses and Permits				
Beer and wine licenses	4,000	4,000	3,800	(200)
Building permits	82,000	82,000	60,969	(21,031)
Total licenses and permits	86,000	86,000	64,769	(21,231)

BURKE COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET TO ACTUAL- continued
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES - Continued				
Fines and Forfeitures				
Superior Court fees and fines	$ 60,000	$ 60,000	$ 42,674	$ (17,326)
Magistrate Court fees and fines	70,000	70,000	65,175	(4,825)
Juvenile fines	200	200	710	510
State Court fees and fines	220,000	220,000	242,951	22,951
Total fines and forfeitures	350,200	350,200	351,510	1,310
Charges for Services				
Court fees and costs	35,000	35,000	44,703	9,703
Special police services	27,300	27,300	29,870	2,570
Probate Court fees	20,000	20,000	25,588	5,588
Cable television franchise fees	25,000	25,000	29,855	4,855
Tag collection fees	30,000	30,000	28,823	(1,177)
Recreation	85,600	91,600	106,954	15,354
Recording fees	70,000	70,000	56,149	(13,851)
Total charges for services	292,900	298,900	321,942	23,042
Interest				
Interest on investments	90,000	90,000	23,652	(66,348)
Other				
Map sales	400	400	1,110	710
Qualifying fees	-	-	551	551
Donations	-	-	120	120
Miscellaneous revenue	60,000	60,000	50,340	(9,660)
Sale of Assets	5,000	5,000	-	(5,000)
Miscellaneous	5,000	5,000	-	(5,000)
Total other	70,400	70,400	52,121	(18,279)
Total revenues	16,162,099	16,168,099	14,968,236	(1,199,863)

BURKE COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL – Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
EXPENDITURES				
General Government				
Administration	$ 353,272	$ 353,272	$ 341,637	$ (11,635)
Legal Services	19,711	19,711	35,324	15,613
County Commissioners	52,138	67,138	61,982	(5,156)
Burke Office Park	121,764	121,764	159,699	37,935
Clerk of Court	373,762	373,762	375,587	1,825
County Agent	112,776	112,776	102,752	(10,024)
Probate Court	127,443	127,443	124,377	(3,066)
Risk Management	374,000	356,500	349,491	(7,009)
State Court	137,607	137,607	158,078	20,471
State Court - Judge	37,561	37,561	33,340	(4,221)
State Court - Community Service	61,625	69,125	57,477	(11,648)
Superior Court	262,439	262,439	211,301	(51,138)
Juvenile Court	50,279	50,279	51,703	1,424
Indigent Legal Defense	190,000	190,000	154,242	(35,758)
Tax Assessor	248,140	243,140	205,416	(37,724)
Tax Commissioner	339,330	339,330	367,088	27,758
Board of Elections	216,260	216,260	175,732	(40,528)
Planning Commission	221,186	221,186	229,701	8,515
CSRA Regional Development Center	15,500	15,500	14,593	(907)
Georgia Forestry Commission	15,000	15,000	13,563	(1,437)
Magistrate Court	284,485	284,485	271,498	(12,987)
District Attorney	180,000	180,000	160,229	(19,771)
Airport	16,200	16,200	17,555	1,355
Soil Conservation	26,520	26,520	26,263	(257)
Burke County Service Center	20,000	20,000	26,238	6,238
Total general government	3,856,998	3,856,998	3,724,866	(132,132)
Public Safety				
Sheriff	2,437,114	2,437,114	2,407,217	(29,897)
Coroner	25,738	25,738	32,277	6,539
County Jail	2,003,935	2,003,935	2,106,093	102,158
Animal Control	20,000	20,000	4,220	(15,780)
Total public safety	4,486,787	4,486,787	4,549,807	63,020

BURKE COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET TO ACTUAL – Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
EXPENDITURES - Continued				
Culture and Recreation				
Library	$ 314,244	$ 314,244	$ 315,006	$ 762
Recreation	752,167	758,167	757,450	(717)
Museum	8,250	8,250	7,751	(499)
Burke County Chamber of Commerce	18,000	18,000	18,000	-
Total cultue and recreation	1,092,661	1,098,661	1,098,207	(454)
Health and Welfare				
Food Stamp Program	1,000	1,000	-	(1,000)
Welfare	13,000	13,000	12,000	(1,000)
Health Department	200,000	200,000	207,830	7,830
Senior Citizens	406,905	406,905	365,853	(41,052)
Total health and welfare	620,905	620,905	585,683	(35,222)
Highways and Streets				
Road Department	4,171,852	4,171,852	3,796,517	(375,335)
Total highways and streets	4,171,852	4,171,852	3,796,517	(375,335)
Total expenditures	14,229,203	14,235,203	13,755,080	(480,123)
Excess of revenues over expenditures	1,932,896	1,932,896	1,213,156	(719,740)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,502,000	3,128,315	2,037,419	(1,090,896)
Transfers out	(3,434,896)	(5,061,211)	(3,716,571)	(1,344,640)
Total other financing sources (uses)	(1,932,896)	(1,932,896)	(1,679,152)	253,744
CHANGE IN NET ASSETS	$ -	$ -	$ (465,996)	$ (465,996)

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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.

Fire Protection Fund – This fund was established to account for the revenues and expenditures for additional property taxes for the fire protection of Burke County.

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.

BURKE COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2009

	Law Library	Fire Protection	Drug Enforcement	Drug Treatment & Education	Public Library
ASSETS					
Cash and cash equivalents	$ 24,803	$ 100	$ 19,191	$ 29,056	$ 28,939
Interfund receivables	-	-	-	-	-
Taxes receivable	-	27,596	-	-	-
Other receivables	-	-	-	-	-
Intergovernmental receivables	-	17,088	-	1,009	-
Total assets	$ 24,803	$ 44,784	$ 19,191	$ 30,065	$ 28,939
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ -	$ 19,319	$ -	$ 495	$ -
Interfund payables	-	2,158,071	-	-	-
Accrued liabilities	-	234,404	-	-	-
Deferred revenue	-	18,630	-	-	-
Total liabilities	-	2,430,424	-	495	-
Fund Balance					
Unreserved	24,803	(2,385,640)	19,191	29,570	28,939
Total fund balance	24,803	(2,385,640)	19,191	29,570	28,939
Total liabilities and fund balances	$ 24,803	$ 44,784	$ 19,191	$ 30,065	$ 28,939

BURKE COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET - continued
SEPTEMBER 30, 2009

	Small Grants	Emergency Telephone System	Jail Surcharge	Victims Assistance	Total Special Revenue Funds	Less Major Fund	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and cash equivalents	$ -	$ 29,221	$ 25,362	$ 4,433	$ 161,105	$ 100	$ 161,005
Interfund receivable	5,455	28,091	-	-	33,546	-	33,546
Taxes receivable	-	-	-	-	27,596	27,596	-
Other receivables	-	39,422	-	-	39,422	-	39,422
Intergovernmental receivables	6,667	-	2,502	1,744	29,010	17,088	11,922
Total assets	$ 12,122	$ 96,734	$ 27,864	$ 6,177	$ 290,679	$ 44,784	$ 245,895
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 2,960	$ 1,868	$ -	$ -	$ 24,642	$ 19,319	$ 5,323
Interfund payables	-	-	-	-	2,158,071	2,158,071	-
Accrued liabilities	-	6,414	-	-	240,818	234,404	6,414
Deferred revenue	3,102	-	-	-	21,732	18,630	3,102
Total liabilities	6,062	8,282	-	-	2,445,263	2,430,424	14,839
Fund Balance							
Unreserved	6,060	88,452	27,864	6,177	(2,154,584)	(2,385,640)	231,056
Total fund balance	6,060	88,452	27,864	6,177	(2,154,584)	(2,385,640)	231,056
Total liabilities and fund balances	$ 12,122	$ 96,734	$ 27,864	$ 6,177	$ 290,679	$ 44,784	$ 245,895

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

	Law Library	Fire Protection	Drug Enforcement	Drug Treatment & Education	Public Library
REVENUES					
Taxes	$ -	$ 5,241,884	$ -	$ -	$ -
Intergovernmental	-	113,132	-	-	84,250
Charges for services	-	986,482	-	-	-
Fines and forfeitures	14,273	-	-	15,252	3,387
Other	-	1,024	27	94	137
Total revenues	14,273	6,342,522	27	15,346	87,774
EXPENDITURES					
General government	15,261	-	-	-	-
Public safety	-	6,777,609	-	-	-
Cultural and recreation	-	-	-	-	85,139
Health and welfare	-	-	-	32,665	-
Total expenditures	15,261	6,777,609	-	32,665	85,139
Excess (deficiency) of revenues over expenditures	(988)	(435,087)	27	(17,319)	2,635
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	-	790,041	-	-	-
Total other financing sources (uses)	-	790,041	-	-	-
NET CHANGE IN FUND BALANCE	(988)	354,954	27	(17,319)	2,635
FUND BALANCE, BEGINNING OF YEAR	25,791	(2,740,594)	19,164	46,889	26,304
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR, RESTATED	25,791	(2,740,594)	19,164	46,889	26,304
FUND BALANCE, END OF YEAR	$ 24,803	$ (2,385,640)	$ 19,191	$ 29,570	$ 28,939

BURKE COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Small Grants	Hotel Motel Taxes	Emergency Telephone System	Jail Surcharge	Victims Assistance	Total Special Revenue Funds	Less Major Fund	Total Nonmajor Special Revenue Funds
REVENUES								
Taxes	$ -	$ 1,152	$ -	$ -	$ -	$ 5,243,036	$ 5,241,884	$ 1,152
Intergovernmental	98,882	-	-	-	-	296,264	113,132	183,132
Charges for services	-	-	362,100	-	-	1,348,582	986,482	362,100
Fines and forfeitures	-	-	-	29,840	22,330	85,082	-	85,082
Other	-	-	-	63	-	1,345	1,024	321
Total revenues	98,882	1,152	362,100	29,903	22,330	6,974,309	6,342,522	631,787
EXPENDITURES								
General government	60,453	-	-	-	-	75,714	-	75,714
Public safety	-	-	254,367	24,681	-	7,056,657	6,777,609	279,048
Cultural and recreation	-	-	-	-	-	85,139	-	85,139
Health and welfare	-	-	-	-	42,575	75,240	-	75,240
Total expenditures	60,453	-	254,367	24,681	42,575	7,292,750	6,777,609	515,141
Excess (deficiency) of revenues over expenditures	38,429	1,152	107,733	5,222	(20,245)	(318,441)	(435,087)	116,646
OTHER FINANCING SOURCES (USES)								
Transfers in (out)	(38,429)	(1,152)	-	-	-	750,460	790,041	(39,581)
Total other financing sources (uses)	(38,429)	(1,152)	-	-	-	750,460	790,041	(39,581)
NET CHANGE IN FUND BALANCE	-	-	107,733	5,222	(20,245)	432,019	354,954	77,065
FUND BALANCE, BEGINNING OF YEAR	6,060	-	(19,281)	22,642	32,122	(2,580,903)	(2,740,594)	159,691
PRIOR PERIOD ADJUSTMENT	-	-	-	-	(5,700)	(5,700)	-	(5,700)
FUND BALANCE, BEGINNING OF YEAR, RESTATED	6,060	-	(19,281)	22,642	26,422	(2,586,603)	(2,740,594)	153,991
FUND BALANCE, END OF YEAR	$ 6,060	$ -	$ 88,452	$ 27,864	$ 6,177	$ (2,154,584)	$ (2,385,640)	$ 231,056

BURKE COUNTY, GEORGIA
HOTEL – MOTEL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	$ 3,000	$ 3,000	$ 1,152	$ (1,848)
Total revenues	3,000	3,000	1,152	(1,848)
EXPENDITURES				
General Government	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	3,000	3,000	1,152	(1,848)
OTHER FINANCING USES				
Transfers out	(3,000)	(3,000)	(1,152)	1,848
NET CHANGE IN FUND BALANCE	$ -	$ -	-	$ -
FUND BALANCE, BEGINNING OF YEAR			-	
FUND BALANCE, END OF YEAR			$ -	

BURKE COUNTY, GEORGIA
DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Fines and forfeitures	$ 18,000	$ 18,000	$ -	$ (18,000)
Other	100	100	27	(73)
Total revenues	18,100	18,100	27	(18,073)
EXPENDITURES				
Public safety	46,477	46,477	-	(46,477)
Total expenditures	46,477	46,477	-	(46,477)
NET CHANGE IN FUND BALANCE	$ (28,377)	$ (28,377)	27	$ 28,404
FUND BALANCE, BEGINNING OF YEAR			19,164	
FUND BALANCE, END OF YEAR			$ 19,191	

BURKE COUNTY, GEORGIA
DRUG TREATMENT AND EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Fines and forfeitures	$ 12,000	$ 12,000	$ 15,252	$ 3,252
Other	200	200	94	(106)
Total revenues	12,200	12,200	15,346	3,146
EXPENDITURES				
Welfare	79,200	79,200	32,665	(46,535)
Total expenditures	79,200	79,200	32,665	(46,535)
NET CHANGE IN FUND BALANCE	$ (67,000)	$ (67,000)	(17,319)	$ 49,681
FUND BALANCE, BEGINNING OF YEAR			46,889	
FUND BALANCE, END OF YEAR			$ 29,570	

BURKE COUNTY, GEORGIA
PUBLIC LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental	$ 86,700	$ 86,700	$ 84,250	$ (2,450)
Charges for services	2,000	2,000	-	(2,000)
Fines and forfeitures	2,400	2,400	3,387	987
Other	-	-	137	137
Total revenues	91,100	91,100	87,774	(3,326)
EXPENDITURES				
Culture and recreation	94,700	94,700	85,139	(9,561)
Total expenditures	94,700	94,700	85,139	(9,561)
NET CHANGE IN FUND BALANCE	$ (3,600)	$ (3,600)	2,635	$ 6,235
FUND BALANCE, BEGINNING OF YEAR			26,304	
FUND BALANCE, END OF YEAR			$ 28,939	

BURKE COUNTY, GEORGIA
SMALL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental	$ 8,453	$ 318,874	$ 98,882	$ (219,992)
Total revenues	8,453	318,874	98,882	(219,992)
EXPENDITURES				
General Government	8,453	280,445	60,453	(219,992)
Total expenditures	8,453	280,445	60,453	(219,992)
Excess of revenues over expenditures	-	38,429	38,429	-
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(38,429)	(38,429)	-
Total other financing sources (uses)	-	(38,429)	(38,429)	-
NET CHANGE IN FUND BALANCE	$ -	$ -	-	$ -
FUND BALANCE, BEGINNING OF YEAR			6,060	
FUND BALANCE, END OF YEAR			$ 6,060	

BURKE COUNTY, GEORGIA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Charges for services	$ 318,300	$ 318,300	$ 362,100	$ 43,800
Total revenues	318,300	318,300	362,100	43,800
EXPENDITURES				
Public Safety	333,300	333,300	254,367	(78,933)
Total expenditures	333,300	333,300	254,367	(78,933)
NET CHANGE IN FUND BALANCE	(15,000)	(15,000)	107,733	122,733
FUND BALANCE, BEGINNING OF YEAR			(19,281)	
FUND BALANCE, END OF YEAR			$ 88,452	

BURKE COUNTY, GEORGIA
JAIL SURCHARGE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Fines and forfeitures	$ 30,000	$ 30,000	$ 29,840	$ (160)
Other	70	70	63	(7)
Total revenues	30,070	30,070	29,903	(167)
EXPENDITURES				
Public safety	49,040	49,040	24,681	(24,359)
Total expenditures	49,040	49,040	24,681	(24,359)
NET CHANGE IN FUND BALANCE	$ (18,970)	$ (18,970)	5,222	$ 24,192
FUND BALANCE, BEGINNING OF YEAR			22,642	
FUND BALANCE, END OF YEAR			$ 27,864	

BURKE COUNTY, GEORGIA
VICTIM'S ASSISTANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Additional penalty	$ 22,800	$ 22,800	$ 22,330	$ (470)
Total revenues	22,800	22,800	22,330	(470)
EXPENDITURES				
Payments to other agencies	22,800	42,615	42,575	(40)
Total expenditures	22,800	42,615	42,575	(40)
NET CHANGE IN FUND BALANCE	$ -	$ (19,815)	(20,245)	$ (430)
FUND BALANCE, BEGINNING OF YEAR			32,122	
PRIOR PERIOD ADJUSTMENT			(5,700)	
FUND BALANCE, BEGINNING OF YEAR, RESTATED			26,422	
FUND BALANCE, END OF YEAR			$ 6,177	

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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
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	Vehicle Maintenance	Facilities Maintenance	Total
ASSETS			
Interfund receivables	$ 93,453	$ 22,073	$ 115,526
Total assets	$ 93,453	$ 22,073	$ 115,526
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	$ 70,487	$ 12,448	$ 82,935
Accrued wages	22,966	9,625	32,591
Total liabilities	93,453	22,073	115,526
Net Assets			
Total net assets	-	-	-
Total liabilities and net assets	$ 93,453	$ 22,073	$ 115,526

BURKE COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Vehicle Maintenance	Facilities Maintenance	Total
OPERATING REVENUES			
Charges for services	$ 2,065,996	$ 487,247	$ 2,553,243
OPERATING EXPENSES			
Personnel services	624,619	265,924	890,543
Operations	1,441,377	221,323	1,662,700
Total operating expenses	2,065,996	487,247	2,553,243
CHANGE IN NET ASSETS	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -

BURKE COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Vehicle Maintenance	Facilities Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from internal services provided	$ 2,085,308	$ 488,618	$ 2,573,926
Cash paid to suppliers and others	(1,461,162)	(223,436)	(1,684,598)
Cash paid to employees	(624,146)	(265,182)	(889,328)
Total cash provided by (used in) operating activities	-	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ -	$ -	$ -
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income	$ -	$ -	$ -
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Interfund receivables	19,312	1,371	20,683
Accounts payable	(19,785)	(2,113)	(21,898)
Accrued liabilities	473	742	1,215
Total cash provided by (used in) operating activities	$ -	$ -	$ -

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.

Agency Funds

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.

Solicitor of State Court Fund - This fund is used to account for is used to account for all monies received by the Solicitor of State 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
AGENCY - COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
SEPTEMBER 30, 2009

	Sheriff	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Total
Assets						
Cash and cash equivalents	$ 23,360	$ 353,201	$194,470	$ -	$ 17,407	$588,438
Total assets	$ 23,360	$ 353,201	$194,470	$ -	$ 17,407	$588,438
Liabilities						
Due to others	$ 23,360	$ 353,201	$194,470	$ -	$ 17,407	$588,438
Total liabilities	$ 23,360	$ 353,201	$194,470	$ -	$ 17,407	$588,438

BURKE COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Balance 9/30/2008	Additions	Deductions	Balance 9/30/2009
Sheriff				
Assets				
Cash	$ 19,665	$ 295,635	$ (291,940)	$ 23,360
Liabilities				
Due to others	$ 19,665	$ 295,635	$ (291,940)	$ 23,360
Tax Commissioner				
Assets				
Cash	$ 325,442	$ 37,581,430	$ (37,553,671)	$ 353,201
Liabilities				
Due to others	$ 325,442	$ 37,581,430	$ (37,553,671)	$ 353,201
Clerk of Superior Court				
Assets				
Cash	$ 164,672	$ 1,129,658	$ (1,099,860)	$ 194,470
Liabilities				
Due to others	$ 164,672	$ 1,129,658	$ (1,099,860)	$ 194,470
Probate Court				
Assets				
Cash	$ -	$ 32,033	$ (32,033)	$ -
Liabilities				
Due to others	$ -	$ 32,033	$ (32,033)	$ -
Solicitor of State Court				
Assets				
Cash	$ 4,079	$ -	$ (4,079)	$ -
Liabilities				
Due to others	$ 4,079	$ -	$ (4,079)	$ -
Magistrate Court				
Assets				
Cash	$ 20,038	$ 242,645	$ (245,276)	$ 17,407
Liabilities				
Due to others	$ 20,038	$ 242,645	$ (245,276)	$ 17,407

BURKE COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Total Agency Funds				
Assets				
Cash	$ 533,896	$ 39,281,401	$ (39,226,859)	$ 588,438
Liabilities				
Due to others	$ 533,896	$ 39,281,401	$ (39,226,859)	$ 588,438

COMPLIANCE SECTION AND SUPPLEMENTARY SCHEDULES

Baird & Company *CPAs, LLC*
CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL ADVISORS

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

To the Board of Commissioners
Burke County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Burke County, Georgia, as of and for the year ended September 30, 2009, which collectively comprise Burke County, Georgia's basic financial statements and have issued our report thereon dated March 5, 2010. We did not audit the financial statements of the Burke County Health Department, a discretely presented component unit, whose statements reflect total assets of $1,018,448 and total net assets of $968,366 as of June 30, 2009, and total revenues of $677,854 for the year then ended. 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 Health Department, is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting as items 2009-1 and 2009-2.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness

Compliance and Other Matters

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

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

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

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
March 5, 2010

BURKE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Health and Human Services			
Senior Citizen Nutrition Program through contract with the CSRA Regional Development Center, passed through from Georgia Department of Human Resources	93.045	n/a	$ 85,562
and CSRA Regional Development Center.	93.053	n/a	21,769
Total U.S. Department of Health and Human Services			107,331
U.S. Department of Justice			
Juvenile Offenders Program (Passed through Council of Juvenile Court Judges of Georgia) FY 2009	16.523	06B-ST-0001	5,000
Edward Byrne Justice Assistance Grant FY 2006	16.738	2006-DJ-BX-0917	4,081
Edward Byrne Justice Assistance Grant FY 2007	16.738	2007-DJ-BX-0328	2,446
ARRA - Recovery Act Edward Byrne Memorial Justice Assistance Grant FY 2009	16.804	2009-SB-B9-0671	17,134
Total U.S. Department of Justice			28,661
U.S. Department of Homeland Security			
Department of Homeland Security Buffer Zone Protection Program (Passed through GA Emergency Management Agency) FY07	97.078	FIPS #033-00000-05 GAN #2007-BZ-T7-0035	26,395
Federal Emergency Management Agency Performance Partnership Agreement (Passed through Georgia Emergency Management Agency) FY 2008	97.042	P08-9-009	6,673
Federal Emergency Management Agency Pre-Disaster Mitigation Grant (Passed through Georgia Emergency Management Agency)	97.017	PDMC-PL-04-GA-2005-011 17PDMC4011033	2,500
Federal Emergency Management Agency Disaster Grants-Public Assistance	97.036	FEMA-1750-DR-GA PAID #033-99033-00	38,429
Total U.S. Department of Homeland Security			73,997
U.S. Department of Agriculture			
Natural Resource Conservation Service Conservation Technical Assistance	10.902	68-4310-6-158	19,144
Total U.S. Department of Agriculture			19,144

BURKE COUNTY, GEORGIA
SCHEDULE OF FEDERAL AWARDS - Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Transportation			
Section 5311 Rural Public Transportation		MTG00-0143-00-067	
(Passed through Georgia Department of Transportation)	20.509	GA-18-4029	$ 146,748
Section 5311 Rural Public Transportation		MTG00-0139-00-058	
(Passed through Georgia Department of Transportation)	20.509	GA-18-0027	10,509
Total U.S. Department of Transportation			157,257
Total Expenditures of Federal Awards			$ 386,390

Note – Significant Accounting Policies
The significant accounting policies used to prepare the schedule of expenditures of federal awards is the same as those described in Note 1 to the financial statements.

BURKE COUNTY, GEORGIA
SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

State Grantor	Grant Number	Program Expenditures
Georgia Department of Community Affairs		
One Georgia Edge Fund Award	09ge-017-3-4501	$ 480,000
Georgia Department of Human Resources		
Division of Public Health, Office of		
Pandemic Influenza Planning and Exercise Grant		2,898
TOTAL EXPENDITURES OF STATE AWARDS		$ 482,898

BURKE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

SUMMARY OF THE AUDITORS' RESULTS

1. An unqualified opinion was issued on the basic financial statements of Burke County, Georgia for the year ended September 30, 2009.

2. We noted the following reportable conditions in internal control over financial reporting that are not considered to be a material weaknesses:

Finding: 2009-1

Criteria:
Equipment additions should not be recorded as part of infrastructure and also as equipment.

Condition:
Equipment additions were recorded as equipment and as part of infrastructure cost.

Cause:
Policies and procedures were not in place to detect the errors in recording of fixed assets.

Effect:
Fixed assets were overstated by $964,499.

Auditors' recommendation:
Management should establish policies and procedures so that fixed assets are not recorded twice.

Management Response:
We concur with this finding. A major portion of infrastructure costs are self-constructed capital asset additions. The additions are primarily road paving costs. During the fiscal years ended September 30, 2005 through 2008, road construction equipment costs were erroneously included as equipment additions and as infrastructure costs. It should be noted that this error occurred only on the capital assets depreciation schedule and other schedules solely prepared for the financial statements under the GASB 34 reporting model and were not a part of the accounting and budgeting day-to-day processes of the County, which are operated under fund accounting on the modified accrual basis of accounting. Policies and procedures have been established and placed into practice to ensure that, upon preparation of the capital assets depreciation schedule and other capital asset schedules, equipment costs will be recorded separately from infrastructure costs and depreciated at their respective useful lives.

Finding: 2009-2

Criteria:
Revenues are recognized when they become measurable and available. Available revenues include those expected to be collected within 60 days.

Condition:
Unavailable revenues were not correctly recorded.

Cause:
Due to a clerical error, unavailable revenues were recorded as current year activity.

Effect:
Revenues were overstated.

Auditors' recommendation:
To improve internal control and operating efficiency management should establish policies and procedures to correctly record cash receipts.

Management Response:
We concur with this finding. The County contracts with the Georgia Department of Transportation from time to time to perform certain infrastructure improvements such as road paving or bridge improvements. During the fiscal years ended September 30, 2005 through 2008, GDOT contracts were recorded as a receivable and as revenue upon completion of the contract requirements. The contracts had certain quantity requirements that could vary. Adjustments, which were normally small in nature, were made by the County upon receipt of the closeout notice from the GDOT. The audit firm reversed those remaining receivables, citing the 60 day modified accrual revenue recognition rule. This was a judgment and not a lack of policies and procedures, which we concur with the auditors' recommendation. The County already has policies and procedures in place to ensure that the 60 day modified accrual revenue recognition rule is followed for governmental funds as this policy was followed in the General Fund, the Small Grants Fund, and the Fire Protection Fund. However, in future years, we will marry these together as per the auditors' recommendation concerning these contract receivables.

BURKE COUNTY, GEORGIA
SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

SUMMARY OF PRIOR AUDIT FINDINGS

Audit findings reported for the year ended September 30, 2008, that remain a finding for the audit of the year ended September 30, 2009.

Finding: **2008-1**

Criteria:
Transactions for all funds should be maintained on the County's general ledger system.

Condition:
The following funds were not recorded on the trial balance:

Special Revenue Funds
Law Library
Public Library

Trust and Agency Funds
Clerk of Superior Court
Probate Court
Tax Commissioner
Sheriff
Magistrate Court

Cause:
The Special Revenue and Fiduciary Funds are maintained by the Constitutional Office and a department outside of the County Accounting Office.

Effect:
Internal controls and operating efficiencies are weakened.

Management Response:
Finding 2008-1 states that transactions for all funds were not recorded in the County's centralized general ledger system. We concur with the finding. However we are not in possession of these accounts. They are under the control and supervision of independent boards or elected officials. We have discussed the situation and the need to have these funds accounted for in our central system. This remains to be a difficult recommendation to implement on a practical basis due to each office wanting to maintain control over their funds. We will continue to discuss this with the various boards and elected officials.

BURKE COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX, 2006 – 2012
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Project	Original Estimated Cost	Prior Years Cost	Current Period Cost	Total Cost	Estimated Percentage of Completion
Burke County					
Recreation facility	$ 1,000,000	$ 264,918	$ 354,179	$ 619,097	62%
Industrial development	1,000,000	3,545	36,416	39,961	4%
Building construction and renovations	1,500,000	672,614	827,386	1,500,000	100%
Hospital projects	1,500,000	745,453	282,003	1,027,456	68%
Roads, streets, and bridges	5,257,673	3,426,234	514,855	3,941,089	75%
Waynesboro					
Water, sewer, and storm drainage systems/building renovations	4,301,605	2,128,754	808,710	2,937,464	68%
Sardis					
Capital equipment/building renovations/ streets, drainage, and sidewalks	992,000	491,250	186,625	677,875	68%
Midville					
Building renovations/water and sewer improvements and equipment	496,339	245,626	93,313	338,939	68%
Keysville					
Water system improvements/building renovations	330,893	163,749	62,208	225,957	68%
Girard					
Building renovations/equipment shed/ holiday decorations/walking path	165,446	81,875	31,104	112,979	68%
Totals	$ 16,543,956	$ 8,224,018	$ 3,196,799	$ 11,420,817	

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECT COSTS AND SOURCE AND APPLICATION OF FUNDS FOR ONEGEORGIA AUTHORITY EDGE GRANT FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

Project: OneGeorgia Edge Fund Grant
Construct/Rehabilitation of Industrial Building
Grant Number: 09ge-017-3-4501
Commencement of project activity: October 2008
Percentage complete: 100%

Description	Funding	Prior Year Costs	Current Year Costs	Total Cost
Construct/Rehabilitation of Industrial Building	$ 480,000	$ -	$ 480,000	$ 480,000