BURKE COUNTY, GEORGIA

FINANCIAL REPORT

For the Year Ended September 30, 2010

BURKE COUNTY, GEORGIA

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

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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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Burke County, Georgia as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Burke County. Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Burke County Health Department, a discretely presented component unit, whose statements reflect total assets of $997,671 and total net assets of $964,235 as of June 30, 2010, and total revenues of $622,168 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. 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 previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Burke County, Georgia as of September 30, 2010, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 50 through 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standard's Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Burke County, Georgia's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and is also not a required part of financial statements. 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, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
March 7, 2011

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, 2010 and 2009. 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 $33.3 million and $31.4 million as of September 30, 2010 and September 30, 2009, respectively.

The largest portion of Burke County's net assets, 95.8% in 2010 and 100% in 2009, 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, 2010 and 2009

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	$ 4,764,740	$ 4,066,141	$ 14,794	$ 230,174	$ 4,779,534	$ 4,296,315
Capital assets	29,971,349	30,720,095	1,881,363	1,668,126	31,852,712	32,388,221
Total assets	34,736,089	34,786,236	1,896,157	1,898,300	36,632,246	36,684,536
Long-term liabilities outstanding	438,539	427,881	1,755,187	1,734,545	2,193,726	2,162,426
Other liabilities	1,044,454	2,974,233	140,970	150,650	1,185,424	3,124,883
Total liabilities	1,482,993	3,402,114	1,896,157	1,885,195	3,379,150	5,287,309
Net assets:						
Invested in capital assets, net of related debt	29,971,349	30,720,095	1,881,363	1,668,126	31,852,712	32,388,221
Unrestricted	3,281,747	664,027	(1,881,363)	(1,655,022)	1,400,384	(990,995)
Total net assets	$ 33,253,096	$ 31,384,122	$ -	$ 13,104	$ 33,253,096	$ 31,397,226

The balance of unrestricted net assets, 4.2% in 2010 and 0% in 2009, may be used to meet the Government's ongoing obligations to citizens and creditors.

The Government's net assets increased by $1,855,870 and $48,925 during the fiscal years ended September 30, 2010 and 2009, respectively. The 2009 increase includes prior period adjustment amounts.

Governmental activities

Governmental activities increased Burke County's net assets by $1,868,974 in 2010 and $35,820 in 2009 thereby accounting for 100% in 2010 and 73.2% in 2009 of the total change in the net assets of Burke County. The key factor for 2010 was a significant increase in sales tax revenue due to major construction projects in the County. The key factors in 2009 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 decreased Burke County's net assets by $13,104 in 2010 and increased net assets by $13,104 in 2009, accounting for 1% in 2010 and 26.8% in 2009 of the total change in the government's net assets.

Burke County's Changes in Net Assets
September 30, 2010 and 2009

	Governmental Activities		Business-type Activities		Total	
	Fiscal Year Ended September 30, 2010	Fiscal Year Ended September 30, 2009	Fiscal Year Ended September 30, 2010	Fiscal Year Ended September 30, 2009	Fiscal Year Ended September 30, 2010	Fiscal Year Ended September 30, 2009
Revenues:						
Program revenues:						
Charges for services	$ 2,365,139	$ 2,305,175	$ 467,226	$ 689,526	$ 2,832,365	$ 2,994,701
Operating grants and contributions	846,304	489,271	115,924	157,257	962,228	646,528
Capital grants and contributions	239,807	130,044	123,610		363,417	130,044
General revenues:						
Property taxes	15,760,847	15,693,350			15,760,847	15,693,350
Other taxes	9,016,291	6,543,811			9,016,291	6,543,811
Other	132,215	25,866			132,215	25,866
Total revenues	28,360,603	25,187,517	706,760	846,783	29,067,363	26,034,300
Expenses:						
General government	6,668,155	4,143,529			6,668,155	4,143,529
Public safety	12,035,207	11,986,816			12,035,207	11,986,816
Culture and recreation	1,359,827	956,872			1,359,827	956,872
Health and welfare	501,778	680,268			501,778	680,268
Highways and streets	4,764,737	5,249,177			4,764,737	5,249,177
Interest on long-term debt					-	-
Solid Waste			1,536,086	1,546,392	1,536,086	1,546,392
Transit			367,466	452,123	367,466	452,123
Total expenses	25,329,704	23,016,662	1,903,552	1,998,515	27,233,256	25,015,177
Increase in net assets before transfers	3,030,899	2,170,855	(1,196,792)	(1,151,732)	1,834,107	1,019,123
Gain (Loss) on sale of capital assets	51,443		(29,680)			
Transfers	(1,213,368)	(1,164,836)	1,213,368	1,164,836	-	-
Increase (Decrease) in net assets	1,868,974	1,006,019	(13,104)	13,104	1,855,870	1,019,123
Prior period adjustment	-	(970,199)			-	(970,199)
Net assets, beginning of period	31,384,122	31,348,302	13,104	-	31,397,226	31,348,302
Net assets, end of period	$ 33,253,096	$ 31,384,122	$ -	$ 13,104	$ 33,253,096	$ 31,397,226

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 $3.5 million in 2010 and $1 million in 2009, of which $3 million in 2010, or 85%, and $454 thousand in 2009, or 44%, 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 fund balance of the general fund was $3.5 million in 2010 and $3.1 million in 2009, while total fund balance was $4 million in 2010 and $3.7 million in 2009. 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 fund balance represents 21.9% in 2010 and 17.7% in 2009 of total General Fund expenditures and net transfers out, while total fund balance represents 25.2% in 2010 and 21% in 2009 of that same amount.

The fund balance of Burke County's General Fund increased by $309,156 during the fiscal year ended September 30, 2010 and decreased by $465,996 during the fiscal year ended September 30, 2009. The key factors in these changes were increased sales tax revenue coupled with temporary hiring freezes in 2010 and decreases in sales tax revenue in 2009.

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 increase in fund balance in 2010 of $1,785,129 and the decrease in fund balance in 2009 of $84,253 was due to the timing difference of collections versus expenditures.

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 $61,339 due primarily to increased property tax revenues in FY 2010. 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.

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 zero for the fiscal years ended September 30, 2010 and 2009, respectively. Unrestricted net assets in the Burke Transit Fund amounted to zero and $13,105 for the fiscal years ended September 30, 2010 and 2009, respectively. The total growth in net assets in the Solid Waste Fund was zero in 2010 and 2009. The total increase (decrease) in net assets in the Burke Transit Fund was ($13,104) and $13,104 for the fiscal years ended September 30, 2010 and 2009, respectively. The decrease in the Burke Transit Fund for 2010 was caused by a reduction in transfers from the General Fund. The increase in the Burke Transit Fund for 2009 was due primarily to increased grant revenue. The Government's internal service funds, Vehicle Maintenance Fund and Facility Maintenance Fund, had unrestricted net assets of zero in 2010 and 2009 and total growth in net assets of zero during 2010 and 2009.

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 2010, the major difference between the original budget and the final amended budget were increases in public utility taxes and increases in court related expenditures. Public utility taxes were increased due to an increase in the utility digest. Court related expenditures continue to be a rising cost for the County each year. Actual revenues were $908,863 over budget due primarily to increased sales tax revenues due to major construction projects in the County. Actual expenditures were $458,819 under budget (budget basis), primarily due to hiring freezes in various departments, resulting in lower public safety and highways and streets costs.

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.

Capital Assets and Debt Administration

Burke County's investment in capital assets for its governmental and business-type activities as of September 30, 2010 and 2009 amounted to $31,852,712 and $32,388,221, 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 2010 included the following:

- SPLOST-funded portion of road construction in the amount of $496,405
- General fund-funded portion of road construction in the amount of $429,682
- Grant/local match-funded land purchased for runway extension at airport in the amount of $279,064
- Fire fund-funded purchases of two ambulances and one fire truck in the amount of $440,702

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

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, 2010 and 2009

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Construction in progress	$ 54,900	$ 647,292	$ -	$ -	$ 54,900	$ 647,292
Land	1,101,999	822,935	1,037,752	1,026,552	2,139,751	1,849,487
Buildings	11,013,449	10,808,675	85,606	88,041	11,099,055	10,896,716
Improvements	-	-	50,617	37,489	50,617	37,489
Equipment	1,958,315	2,679,093	707,388	516,044	2,665,703	3,195,137
Infrastructure	15,842,686	15,762,100	-	-	15,842,686	15,762,100
Total	$ 29,971,349	$ 30,720,095	$ 1,881,363	$ 1,668,126	$ 31,852,712	$ 32,388,221

Long-Term Debt

Burke County had a total of $2,193,726 in outstanding long-term debt as of September 30, 2010 and $2,162,426 in outstanding long-term debt as of September 30, 2009. This entire amount is backed by the full faith and credit of the government. Burke County retired no outstanding bonds during the fiscal years ended September 30, 2010 and 2009. There were no bonds issued during 2010 or 2009.

Burke County's Outstanding Debt
General Obligation Bonds and Other Debt
September 30, 2010 and 2009

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Accrued compensated absences	$ 438,539	$ 427,881	$ 16,931	$ 16,901	$ 455,470	$ 444,782
Landfill closure costs	-	-	1,738,256	1,717,644	1,738,256	1,717,644
Total debt	$ 438,539	$ 427,881	$ 1,755,187	$ 1,734,545	$ 2,193,726	$ 2,162,426

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. There were no outstanding tax anticipation notes at September 30, 2010.

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 $166 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

This last year we began to see things improving in the local economy. Site work began at Plant Vogtle and several local industries announced expansions. This has greatly improved sales tax revenue. Also, property values have begun to rebound and property taxes were up a little in 2010. In addition the Board of Commissioners instituted a number of fiscal policy changes that helped control spending. They implemented a hiring freeze and reduced operations to three days per week for Transit and the Senior Citizens Nutrition Program. All these factors worked together to bring about a surplus in revenues over spending by about $300,000. This will add to our fund balance for the first time in several years. We expect continued improvement in the local economy when the construction at Plant Vogtle gets geared up next year.

The Budget for FY 2011 is roughly $300,000 less than the FY10 Budget. The Board of Commissioners and the Department Heads have continued to work on trimming expenses. Keeping costs contained will make it easier to build up the County's Fund Balance to the point that we have a safe reserve of funds for future economic downturns. We expect property tax and sales tax revenues for the year to exceed projections. Therefore we can expect to continue to build our reserves in FY 2011.

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, 2010

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
ASSETS					
Cash and cash equivalents	$ 352,595	$ 100	$ 352,695	$ 2,105,589	$ 568,147
Investments	1,988,505	-	1,988,505	250,000	402,091
Taxes receivable	1,363,793	-	1,363,793	-	-
Accounts receivable	-	33,156	33,156	103,520	9,926
Intergovernmental receivables	163,913	26,222	190,135	-	-
Internal balances	219,351	(44,684)	174,667	(174,667)	-
Other receivables	63,820	-	63,820	-	-
Inventory	518,278	-	518,278	2,104,681	-
Other assets	94,485	-	94,485	-	-
Capital assets (net of accumulated depreciation)					
Land	1,101,999	1,037,752	2,139,751	-	-
Construction in progress	54,900	-	54,900	-	-
Buildings and improvements	11,013,449	136,223	11,149,672	267,825	-
Furniture, fixtures, and equipment	1,958,315	707,388	2,665,703	10,562	17,507
Infrastructure	15,842,686	-	15,842,686	-	-
Total assets	$ 34,736,089	$ 1,896,157	$ 36,632,246	$ 4,667,510	$ 997,671
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable	$ 519,127	$ 134,621	$ 653,748	$ 4,248	$ -
Accrued liabilities	150,394	6,349	156,743	11,055	-
Intergovernmental payables	372,276	-	372,276	-	-
Unearned revenues	2,657	-	2,657	100,000	-
Noncurrent liabilities					
Due within one year	-	-	-	100,000	-
Due in more than one year	438,539	1,755,187	2,193,726	-	33,436
Total liabilities	1,482,993	1,896,157	3,379,150	215,303	33,436
Net Assets					
Invested in capital assets	29,971,349	1,881,363	31,852,712	-	17,507
Restricted	-	-	-	-	158,197
Unrestricted	3,281,747	(1,881,363)	1,400,384	4,452,207	788,531
Total net assets	$ 33,253,096	$ -	$ 33,253,096	$ 4,452,207	$ 964,235

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, 2010

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	$ 6,670,155	$ 706,773	$ 570,097	$ -	$ (5,393,285)	$ -	$ (5,393,285)	$ -	$ -
Public safety	12,035,207	1,501,175	78,351	-	(10,455,681)	-	(10,455,681)	-	-
Culture and recreation	1,359,827	134,055	86,000	-	(1,139,772)	-	(1,139,772)	-	-
Health and welfare	501,778	23,136	111,856	-	(366,786)	-	(366,786)	-	-
Highways and streets	4,764,737	-	-	239,807	(4,524,930)	-	(4,524,930)	-	-
Total governmental activities	25,331,704	2,365,139	846,304	239,807	(21,880,454)	-	(21,880,454)	-	-
Business-type activities:									
Solid Waste	1,536,086	328,118	-	-	-	(1,207,968)	(1,207,968)	-	-
Transit	367,466	139,108	115,924	123,610	-	11,176	11,176	-	-
Total business-type activities	1,903,552	467,226	115,924	123,610	-	(1,196,792)	(1,196,792)	-	-
Total primary government	$ 27,235,256	$ 2,832,365	$ 962,228	$ 363,417	(21,880,454)	(1,196,792)	(23,077,246)	-	-
Component units:									
Development Authority	$ 297,089	$ 220,839	$ -	$ -	-	-	-	(76,250)	-
Health Department	626,299	122,363	468,297	-	-	-	-	-	(35,639)
Total component units	$ 923,388	$ 343,202	$ 468,297	$ -	-	-	-	(76,250)	(35,639)
General revenues:									
Property tax					15,697,438	-	15,697,438	-	-
Sales tax					7,334,053	-	7,334,053	-	-
Real estate transfer tax					19,575	-	19,575	-	-
Prior year real property tax					453,612	-	453,612	-	-
Intangible tax					65,305	-	65,305	-	-
Timber tax					63,279	-	63,279	-	-
Alcoholic beverage tax					58,037	-	58,037	-	-
Hotel-motel tax					696	-	696	-	-
Insurance premium tax					681,040	-	681,040	-	-
Financial institution tax					36,354	-	36,354	-	-
Mobile home tax					48,815	-	48,815	-	-
Motor vehicle tax					305,375	-	305,375	-	-
Property not on digest					130	-	130	-	-
Railroad tax					13,429	-	13,429	-	-
Interest income					13,050	-	13,050	17,257	31,508
Gain on sale of capital assets					51,443	1,757	53,200	-	-
Loss on disposal of capital assets					-	(31,437)	(31,437)	-	-
Internal service fund activity					119,165	-	119,165	-	-
Transfers					(1,211,368)	1,213,368	2,000	(2,000)	-
Total general revenues and transfers					23,749,428	1,183,688	24,933,116	15,257	31,508
Change in net assets					1,868,974	(13,104)	1,855,870	(60,993)	(4,131)
NET ASSETS, BEGINNING OF YEAR					31,384,122	13,104	31,397,226	4,513,200	968,366
NET ASSETS, END OF YEAR					$ 33,253,096	$ -	$ 33,253,096	$ 4,452,207	$ 964,235

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

BURKE COUNTY, GEORGIA
BALANCE SHEETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	General Fund	Fire Protection Fund	Special Purpose Local Option Sales Tax II Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 67,450	$ 100	$ 1,000	$ 284,045	$ 352,595
Investments	-	-	1,988,505	-	1,988,505
Taxes receivable	998,043	42,357	323,393	-	1,363,793
Intergovernmental receivables	85,678	8,593	9,344	60,298	163,913
Interfund receivables	2,591,445	-	-	119,165	2,710,610
Other receivables	-	-	-	63,820	63,820
Inventory	518,278	-	-	-	518,278
Other assets	89,485	-	5,000	-	94,485
Total assets	$ 4,350,379	$ 51,050	$ 2,327,242	$ 527,328	$ 7,255,999
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 226,752	$ 23,784	$ 230,406	$ 38,185	$ 519,127
Accrued liabilities	79,430	67,509	-	3,455	150,394
Intergovernmental payables	-	-	372,276	-	372,276
Interfund payables	-	2,259,222	-	232,037	2,491,259
Deferred revenues	64,426	24,836	-	2,657	91,919
Total liabilities	370,608	2,375,351	602,682	276,334	3,624,975
Fund Balances					
Reserved for inventory	518,278	-	-	-	518,278
Unreserved, reported in:					
General Fund	3,461,493	-	-	-	3,461,493
Special Revenue Funds	-	-	-	344,681	344,681
Capital Projects Fund	-	-	1,724,560	(212,852)	1,511,708
Fire Protection Fund	-	(2,324,301)	-	-	(2,324,301)
Total fund balances	3,979,771	(2,324,301)	1,724,560	131,829	3,511,859
Total liabilities and fund balances	$ 4,350,379	$ 51,050	$ 2,327,242	408,163	$ 7,255,999
Adjustment to reflect the consolidation of internal service fund activities related to governmental funds				119,165	
Net assets of other governmental funds				$ 527,328	

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, 2010

Total fund balances - governmental funds	$ 3,511,859
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	1,101,999
Construction in progress	54,900
Infrastructure	32,784,455
Buildings and improvements	18,288,687
Furniture, fixtures, and equipment	12,797,453
Accumulated depreciation	(35,056,145)
Total capital assets - governmental activities	29,971,349
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.	89,262
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	(438,539)
Internal service funds are used by management to charge the costs of facility maintenance and vehicle maintenance to individual funds. The asset and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	119,165
Net assets of governmental activities	$ 33,253,096

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
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	General Fund	Fire Protection Fund	Special Purpose Local Option Sales Tax II Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 14,955,263	$ 5,480,263	$ 4,312,273	$ 696	$ 24,748,495
Intergovernmental	276,379	78,351	-	809,288	1,164,018
Charges for services	331,916	962,887	-	374,797	1,669,600
Fines and forfeitures	351,747	-	-	83,969	435,716
Licenses and permits	106,053	-	-	-	106,053
Interest	10,363	-	2,063	624	13,050
Donation	-	-	-	5,931	5,931
Miscellaneous	-	-	-	13,766	13,766
Other	92,999	1,107	-	13,503	107,609
Total revenues	16,124,720	6,522,608	4,314,336	1,302,574	28,264,238
EXPENDITURES					
Current					
General government	3,820,909	-	-	519,454	4,340,363
Public safety	4,410,683	7,313,500	-	287,072	12,011,255
Culture and recreation	1,127,819	-	-	119,134	1,246,953
Health and welfare	457,462	-	-	24,971	482,433
Highways and streets	2,531,516	-	-	-	2,531,516
Capital outlay					
General government	-	-	-	363,086	363,086
Highways and streets	637,805	-	929,258	-	1,567,063
Intergovernmental					
SPLOST proceeds to other governments	-	-	2,029,631	-	2,029,631
Total expenditures	12,986,194	7,313,500	2,958,889	1,313,717	24,572,300
Excess (deficiency) of revenues over expenditures	3,138,526	(790,892)	1,355,447	(11,143)	3,691,938
OTHER FINANCING SOURCES (USES)					
Transfers in	696	852,231	429,682	336,785	1,619,394
Transfers out	(2,830,066)	-	-	(696)	(2,830,762)
Total other financing sources (uses)	(2,829,370)	852,231	429,682	336,089	(1,211,368)
NET CHANGE IN FUND BALANCE	309,156	61,339	1,785,129	324,946	2,480,570
FUND BALANCE, BEGINNING OF YEAR	3,670,615	(2,385,640)	(60,569)	(193,117)	1,031,289
FUND BALANCE, END OF YEAR	$ 3,979,771	$ (2,324,301)	$ 1,724,560	$ 131,829	$ 3,511,859

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

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, 2010

Net change in fund balances - governmental funds	$ 2,480,570
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	1,930,149
Depreciation expense	(2,612,415)
Excess of depreciation expense over capital outlay	(682,266)
The net effect of various miscellaneous transactions involving capital assets	
Disposals of capital assets, net of accumulated depreciation	(66,480)
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.	28,643
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.	(10,658)
Internal service funds are used by management to charge the cost of facility maintenance and vehicle maintenance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	119,165
Change in net assets of governmental activities	$ 1,868,974

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 - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts			
	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	$ 14,022,964	$ 14,139,857	$ 14,955,263	$ 815,406
Intergovernmental	234,100	234,100	276,379	42,279
Licenses and permits	59,700	59,700	106,053	46,353
Charges for services	299,900	299,900	331,916	32,016
Fines and forfeitures	370,300	370,300	351,747	(18,553)
Interest	60,000	60,000	10,363	(49,637)
Other	52,000	52,000	92,999	40,999
Total revenues	15,098,964	15,215,857	16,124,720	908,863
EXPENDITURES				
General government	3,831,509	3,905,972	3,820,909	(85,063)
Public safety	4,530,782	4,539,812	4,410,683	(129,129)
Culture and recreation	1,076,356	1,076,256	1,127,819	51,563
Health and welfare	527,246	526,246	457,462	(68,784)
Highways and streets	3,396,727	3,396,727	3,169,321	(227,406)
Total expenditures	13,362,620	13,445,013	12,986,194	(458,819)
Excess of revenues over expenditures	1,736,344	1,770,844	3,138,526	1,367,682
OTHER FINANCING SOURCES (USES)				
Transfers in	1,847,576	1,847,576	696	(1,846,880)
Transfers out	(3,583,920)	(3,618,420)	(2,830,066)	788,354
Total other financing uses	(1,736,344)	(1,770,844)	(2,829,370)	(1,058,526)
CHANGE IN FUND BALANCE	$ -	$ -	309,156	$ 309,156
FUND BALANCE, BEGINNING OF YEAR			3,670,615	
FUND BALANCE, END OF YEAR			$ 3,979,771	

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, 2010

	Budgeted Amounts			
	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	$ 5,122,441	$ 5,462,441	$ 5,480,263	$ 17,822
Intergovernmental	71,428	71,428	78,351	6,923
Charges for services	1,095,000	1,095,000	962,887	(132,113)
Miscellaneous	1,000	1,000	1,107	107
Total revenues	6,289,869	6,629,869	6,522,608	(107,261)
EXPENDITURES				
Public safety	7,107,600	7,482,100	7,313,500	(168,600)
Total expenditures	7,107,600	7,482,100	7,313,500	(168,600)
Deficiency of revenues under expenditures	(817,731)	(852,231)	(790,892)	61,339
OTHER FINANCING SOURCES (USES)				
Transfers in	817,731	852,231	852,231	-
Total other financing sources	817,731	852,231	852,231	-
CHANGE IN FUND BALANCE	$ -	$ -	61,339	$ 61,339
FUND BALANCE, BEGINNING OF YEAR			(2,385,640)	
FUND BALANCE, END OF YEAR			$ (2,324,301)	

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

BURKE COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste Fund	Transit Fund	Total	
ASSETS				
Current assets				
Cash	$ 100	$ -	$ 100	$ -
Accounts receivable	33,156	-	33,156	-
Intergovernmental receivables	-	26,222	26,222	-
Interfund receivables	173,549	-	173,549	119,165
Total current assets	206,805	26,222	233,027	119,165
Capital assets				
Land	1,037,752	-	1,037,752	-
Improvements	85,587	-	85,587	-
Buildings	97,410	-	97,410	-
Machinery and equipment	773,451	205,146	978,597	-
	1,994,200	205,146	2,199,346	-
Less accumulated depreciation	(313,987)	(3,996)	(317,983)	-
Total capital assets, net of accumulated depreciation	1,680,213	201,150	1,881,363	-
Total assets	$ 1,887,018	$ 227,372	$ 2,114,390	$ 119,165
LIABILITIES AND NET ASSETS				
Liabilities				
Current Liabilities				
Accounts payable	$ 134,615	$ 6	$ 134,621	$ 110,585
Accrued wages	4,110	2,239	6,349	8,580
Interfund payables	-	218,233	218,233	-
Total current liabilities	138,725	220,478	359,203	119,165
Long-Term Liabilities				
Accrued vacation	10,037	6,894	16,931	-
Accrued closure and postclosure costs	1,738,256	-	1,738,256	-
Total long-term liabilities	1,748,293	6,894	1,755,187	-
Total liabilities	1,887,018	227,372	2,114,390	119,165
Net Assets				
Invested in capital assets	1,680,213	201,150	1,881,363	-
Unrestricted	(1,680,213)	(201,150)	(1,881,363)	-
Total net assets	-	-	-	-
Total liabilities and net assets	$ 1,887,018	$ 227,372	$ 2,114,390	$ 119,165

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, 2010

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste Fund	Transit Fund	Total	
OPERATING REVENUES				
Charges for services	$ 328,118	$ 139,108	$ 467,226	$ 2,529,429
Operating grants	-	115,924	115,924	-
Total operating revenues	328,118	255,032	583,150	2,529,429
OPERATING EXPENSES				
Personnel services	455,656	211,708	667,364	856,982
Operations	1,016,667	114,021	1,130,688	1,672,447
Depreciation	63,763	41,737	105,500	-
Total operating expenses	1,536,086	367,466	1,903,552	2,529,429
Operating loss	(1,207,968)	(112,434)	(1,320,402)	-
NON-OPERATING REVENUES				
Capital grants	-	123,610	123,610	-
Gain on sales of assets and property	1,757	-	1,757	-
Loss on disposal of capital assets	-	(31,437)	(31,437)	-
Total non-operating revenues	1,757	92,173	93,930	-
Loss before transfers	(1,206,211)	(20,261)	(1,226,472)	-
TRANSFERS IN				
Transfer in	1,206,211	7,157	1,213,368	-
CHANGE IN NET ASSETS	-	(13,104)	(13,104)	-
NET ASSETS, BEGINNING OF YEAR	-	13,104	13,104	-
NET ASSETS, END OF YEAR	$ -	$ -	$ -	$ -

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, 2010

	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	$ 349,271	$ 125,990	$ 475,261	$ 2,525,790
Other cash receipts	113,386	93,957	207,343	-
Cash paid to suppliers and others	(988,102)	(114,064)	(1,102,166)	(1,644,797)
Cash paid to employees	(465,859)	(219,065)	(684,924)	(880,993)
Net cash used in operating activities	(991,304)	(113,182)	(1,104,486)	-
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers in	1,206,211	7,157	1,213,368	-
Operating grants	-	115,925	115,925	-
Net cash provided by noncapital and related financing activities	1,206,211	123,082	1,329,293	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(216,664)	(9,900)	(226,564)	-
Proceeds from sale of capital assets	1,757	-	1,757	-
Net cash used in capital and related financing activities	(214,907)	(9,900)	(224,807)	-
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	$ (1,207,968)	$ (228,358)	$ (1,436,326)	$ -
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	63,763	41,737	105,500	-
Changes in assets and liabilities:				
Accounts receivable	21,153	(13,118)	8,035	(3,639)
Interfund receivables	113,386	-	113,386	-
Interfund payables	-	93,957	93,957	-
Accounts payable	7,952	(43)	7,909	27,650
Accrued liabilities	(10,203)	(7,357)	(17,560)	(24,011)
Accrued landfill closure and postclosure	20,613	-	20,613	-
Net cash used in operating activities	$ (991,304)	$ (113,182)	$ (1,104,486)	$ -
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government	-	123,610	-	-
Loss on contributed assets returned to DOT	-	(31,437)	-	-

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, 2010

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 541,530
Total assets	$ 541,530
LIABILITIES	
Due to others	$ 541,530
Total liabilities	$ 541,530

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.

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 as needed. 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, 2010. Separate financial statements have been issued and are available from the Burke County Health Department.

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

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

Budgets and Budgetary Accounting
The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 30, the County administrator submits to the County Board of Commissioners a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted by the County to obtain taxpayer comments.
3. The budget is legally enacted by resolution of the County Board of Commissioners.
4. The County administrator is authorized to transfer 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2010. 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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, 2010, the County had the following investments:

Investments	Maturities	Fair Value	Credit Rating
Primary Government:			
Georgia Fund 1	Average of 47 days WAM	$ 1,988,505	AAAm
Discretely Presented Component Unit - Development Authority of Burke County:			
Certificates of deposit	-	$ 250,000	-

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.

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 17, 2009, and due February 20, 2010. 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	$ 10,448,687	$ 5,517,126
Property taxes receivable at September 30, 2010	$ 149,678	$ 67,192
Allowance for uncollectible accounts	(59,051)	(24,836)
Net property taxes receivable at September 30, 2010	$ 90,627	$ 42,356
Deferred property tax revenues at September 30, 2010	$ 59,051	$ 24,836

NOTE 4 – PUBLIC UTILITIES TAX

Public Utility taxes accounted for approximately 69% of the current year tax digest.

NOTE 5 – CAPITAL ASSETS

Governmental capital asset activity for the year ended September 30, 2010, was as follows:

	Balance 10/1/2009	Additions	Deletions	Balance 9/30/2010
Capital assets not being depreciated				
Land	$ 822,935	$ 279,064	$ -	$ 1,101,999
Construction in progress	647,292	54,900	(647,292)	54,900
Total capital assets not being depreciated	1,470,227	333,964	(647,292)	1,156,899
Capital assets being depreciated				
Infrastructure	31,858,368	926,087	-	32,784,455
Buildings and improvements	17,634,423	654,264	-	18,288,687
Furniture, fixtures, and equipment	12,736,392	602,129	(541,068)	12,797,453
Total capital assets being depreciated	62,229,183	2,182,480	(541,068)	63,870,595
Less accumulated depreciation				
Infrastructure	(16,096,268)	(1,381,086)	535,585	(16,941,769)
Buildings and improvements	(6,825,748)	(449,490)	-	(7,275,238)
Machinery and equipment	(10,057,299)	(781,839)	-	(10,839,138)
Total accumulated depreciation	(32,979,315)	(2,612,415)	535,585	(35,056,145)
Net capital assets being depreciated	29,249,868	(429,935)	(5,483)	28,814,450
Governmental activities capital assets - net	$ 30,720,095	$ (95,971)	$ (652,775)	$ 29,971,349

Depreciation expense was charged to functions as follows:

General government	$ 258,455
Public safety	602,686
Culture and recreation	145,167
Health and welfare	19,345
Highways and streets	1,586,762
Total depreciation expense - governmental activities	$ 2,612,415

NOTE 5 – CAPITAL ASSETS – Continued

Business-type capital asset activity for the year ended September 30, 2010, was as follows:

	Balance 10/1/2009	Additions	Deletions	Balance 9/30/2010
Capital assets not being depreciated				
Land	$ 1,026,552	$ 11,200	$ -	$ 1,037,752
Capital assets being depreciated				
Buildings	97,410	-	-	97,410
Improvements	70,123	15,464	-	85,587
Machinery and equipment	955,937	323,510	(300,850)	978,597
Total capital assets being depreciated	1,123,470	338,974	(300,850)	1,161,594
Less accumulated depreciation				
Buildings	(9,369)	(2,435)	-	(11,804)
Improvements	(32,634)	(2,336)	-	(34,970)
Machinery and equipment	(439,893)	(100,729)	269,413	(271,209)
Total accumulated depreciation	(481,896)	(105,500)	269,413	(317,983)
Net capital assets being depreciated	641,574	233,474	(31,437)	843,611
Business-type activities capital assets - net	$ 1,668,126	$ 244,674	$ (31,437)	$ 1,881,363

Depreciation expense was charged as follows:

Solid Waste Fund	$ 63,763
Transit Fund	41,737
Total depreciation expense - business-type activities	$ 105,500

Capital asset activity for Development Authority component unit for the year ended September 30, 2010, was:

	Balance 10/1/2009	Additions	Deletions	Balance 9/30/2010
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	(7,986)	(3,091)	-	(11,077)
Buildings	(1,020,710)	(67,108)	-	(1,087,818)
Development Authority capital assets - net	$ 348,586	$ (70,199)	$ -	$ 278,387

NOTE 5 – CAPITAL ASSETS – Continued

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

	Balance 7/1/2009	Additions	Deletions	Balance 6/30/2010
Capital assets being depreciated				
Furniture, fixtures, and equipment	$ 156,954	$ -	$ -	$ 156,954
Less accumulated depreciation	(123,752)	(15,695)	-	(139,447)
Health Department capital assets - net	$ 33,202	$ (15,695)	$ -	$ 17,507

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, 2010:

Governmental Activities	Balance 10/1/2009	Additions	Deletions	Balance 9/30/2010
Accrued compensated absences	$ 427,881	$ 506,690	$ (496,032)	$ 438,539
Total	$ 427,881	$ 506,690	$ (496,032)	$ 438,539
Business-type Activities				
Accrued landfill closure and postclosure costs	$ 1,717,644	$ 36,242	$ (15,630)	$ 1,738,256
Accrued compensated absences	16,901	18,231	(18,201)	16,931
Total	$ 1,734,545	$ 54,473	$ (33,831)	$ 1,755,187

The following is a summary of short term borrowing for governmental activities during the year ended September 30, 2010:

Governmental Activities	Balance 10/1/2009	Additions	Deletions	Balance 9/30/2010
Tax anticipation notes				
SunTrust Bank	$ 1,000,000	$ 3,000,000	$ (4,000,000)	$ -
SunTrust Bank	-	500,000	(500,000)	-
SunTrust Bank	-	6,000,000	(6,000,000)	-
Total	$ 1,000,000	$ 9,500,000	$ (10,500,000)	$ -

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, 2010 in the amount of $4,000,000 at 3.86% and on September 15, 2010 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, 2010.

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

Development Authority	Balance 10/1/2009	Additions	Deletions	Balance 9/30/2010	Amounts Due Within One Year
Industrial Development Revenue Bonds	$ 195,000	$ -	$ (95,000)	$ 100,000	$ 100,000
Total	$ 195,000	$ -	$ (95,000)	$ 100,000	$ 100,000

Health Department	Balance 7/1/2009	Additions	Deletions	Balance 6/30/2010
Accrued compensated absences	$ 29,970	$ 27,379	$ (23,913)	$ 33,436
Total	$ 29,970	$ 27,379	$ (23,913)	$ 33,436

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:			
2011	$ 100,000	$ 3,750	$ 103,750
Total	$ 100,000	$ 3,750	$ 103,750

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, 2010, were as follows:

	Budget	Actual	Excess
General Fund			
Legal Services	$ 20,000	$ 67,928	$ 47,928
County Commissioners	52,820	57,329	4,509
Clerk of Court	370,177	377,942	7,765
State Court - Judge	34,402	35,738	1,336
Juvenile Court	89,945	121,001	31,056
Tax Assessor	206,949	253,617	46,668
Board of Elections	171,059	173,873	2,814
CSRA Regional Commission	14,788	14,852	64
Magistrate Court	309,086	309,254	168
Soil Conservation	26,574	26,658	84
Burke County Service Center	41,300	43,991	2,691
Coroner	32,671	34,682	2,011
County Jail	2,074,964	2,116,837	41,873
Library	311,128	318,926	7,798
Recreation	738,428	781,203	42,775
Museum	8,700	9,690	990
Health Department	182,000	193,532	11,532

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, 2010, 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	$ 2,259,222
General Fund	E911 Fund	6,407
General Fund	Small Grants Fund	9,796
General Fund	Capital Projects	215,834
General Fund	Transit	218,233
General Fund	Development Authority	174,667
Solid Waste	General Fund	173,549
Vehicle Maintenance	General Fund	90,528
Facility Maintenance	General Fund	28,637
Total		$ 3,176,873

A summary of transfers for the year ended September 30, 2010, 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	$ 696	$ 2,830,066
Fire Protection	852,231	-
Other Capital Projects	334,600	-
SPLOST II	429,682	-
Solid Waste	1,206,211	-
Hotel/Motel Fund	-	696
Development Authority	-	2,000
Transit	7,157	-
Small Grants Fund	2,185	-
Total Interfund Payable	$ 2,832,762	$ 2,832,762

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, 2010, (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees and beneficiaries	39
Deferred vested (former employees)	131
Active participants	288
Disable in Pay Status	9
Total	467
Covered compensation	$10,834,344

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 %
12/31/2009	11,756,495	16,751,504	4,995,009	70.2 %	10,462,668	47.7 %

NOTE 9 – RETIREMENT PLAN – Continued

The following schedule shows actuarial present value of accumulated plan benefits as of January 1, 2010, the most recent actuarial report available:

Vested:	
Retirees (and others in pay status)	$ 3,389,289
Deferred vested (former employees)	1,665,228
Vested active participants	9,198,637
Total	14,253,154
Non-vested	980,573
Total	15,233,727
Effect of future salary increases	1,509,038
Total actuarial accrued liability	$ 16,742,765
Net assets available for benefits (including receivables)	$ 10,927,261
Deficit of net assets in excess of actuarial present value of accumulated plan benefits	$ (4,306,466)
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%
December 31, 2009	1,185,666	69.5%

NOTE 9 – RETIREMENT PLAN – Continued

The Plan information presented was determined as part of the actuarial valuation as of January 1, 2010. The following summarizes the actuarial methods and assumptions used in that valuation:

Current Valuation Date	January 1, 2010
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)
Remaining Amortization Period	9

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 $1,738,256 as of September 30, 2010. 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, 2010. 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 $15,630.

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, 2010, the County paid $14,852 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, 2010, follows:

Lodging tax receipts	$ 696
Funds transferred to General Fund during the period on promotion of tourism	(696)
Balance of lodging tax funds on hand at September 30, 2010	$ -

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, 2010, 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, 2010, are as follows:

Unpaid claims, beginning of fiscal year	$ 634,455
Incurred claims	254,108
Claim payments	(470,379)
Adjustments	329,006
Unpaid claims, September 30, 2010	$ 747,190

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 and Other Capital Projects Fund had deficit fund balances of $2,324,301 and $212,852 as of September 30, 2010. The deficit 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, 2010, are comprised of the following:

	Deferred Revenue	Unearned Revenue
Taxes receivable and unavailable to General Fund as of year end	$ 64,426	$ -
Taxes receivable and unavailable to Fire Protection Fund as of year end	24,836	-
Grant revenue received in advance of year end and unspent	-	2,657
Total	$ 89,262	$ 2,657

NOTE 17 – SUSBSEQUENT EVENTS

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through March 7, 2011, 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, 2010

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Ad valorem taxes	$ 2,365,000	$ 2,365,000	$ 2,267,488	$ (97,512)
Commissions	550,000	550,000	546,134	(3,866)
Penalties and interest	180,000	180,000	184,684	4,684
Real estate transfer tax	30,000	30,000	19,575	(10,425)
Alcoholic beverage tax	51,000	51,000	58,037	7,037
Mobile home taxes	52,000	52,000	48,815	(3,185)
Financial institution tax	32,000	32,000	36,354	4,354
Motor vehicle taxes	306,000	306,000	305,375	(625)
Intangible tax	66,000	66,000	65,305	(695)
Public utilities tax	6,755,995	7,326,857	7,190,226	(136,631)
Railroad tax	11,000	11,000	13,429	2,429
Timber tax	50,000	50,000	63,279	13,279
Property not on digest	453,969	-	130	130
Local option sales tax	2,300,000	2,300,000	3,021,780	721,780
Prior year real property taxes	110,000	110,000	453,612	343,612
Insurance premium tax	710,000	710,000	681,040	(28,960)
Total taxes	14,022,964	14,139,857	14,955,263	815,406
Intergovernmental				
Natural Resources Conservation Service	12,600	12,600	12,000	(600)
Indigent defense grant	10,000	10,000	14,103	4,103
Juvenile Judge grant	21,500	21,500	21,500	-
Federal Grant - Senior Citizens	119,000	119,000	106,642	(12,358)
State Grant - Senior Citizens	3,000	3,000	5,214	2,214
U.S. Treasury payment in lieu of taxes	7,000	7,000	19,291	12,291
Inmate medical fees	1,000	1,000	-	(1,000)
Inmate housing	60,000	60,000	97,629	37,629
Total intergovernmental	234,100	234,100	276,379	42,279
Licenses and Permits				
Beer and wine licenses	3,700	3,700	6,800	3,100
Building permits	56,000	56,000	99,253	43,253
Total licenses and permits	59,700	59,700	106,053	46,353

BURKE COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL- continued
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES - Continued				
Fines and Forfeitures				
Superior Court fees and fines	$ 60,000	$ 60,000	$ 40,174	$ (19,826)
Magistrate Court fees and fines	70,000	70,000	72,534	2,534
Juvenile fines	300	300	833	533
State Court fees and fines	240,000	240,000	238,206	(1,794)
Total fines and forfeitures	370,300	370,300	351,747	(18,553)
Charges for Services				
Court fees and costs	40,000	40,000	45,738	5,738
Special police services	25,000	25,000	27,943	2,943
Probate Court fees	20,000	20,000	29,830	9,830
Cable television franchise fees	30,000	30,000	30,780	780
Tag collection fees	30,000	30,000	30,922	922
Recreation	91,400	91,400	106,471	15,071
Public safety fees	500	500	400	(100)
Fingerprinting fees	3,000	3,000	3,630	630
Recording fees	60,000	60,000	56,202	(3,798)
Total charges for services	299,900	299,900	331,916	32,016
Interest				
Interest on investments	60,000	60,000	10,363	(49,637)
Other				
Map sales	1,000	1,000	1,235	235
Qualifying fees	1,000	1,000	1,644	644
Donations	-	-	311	311
Miscellaneous revenue	50,000	50,000	38,366	(11,634)
Sale of assets	-	-	51,443	51,443
Total other	52,000	52,000	92,999	40,999
Total revenues	15,098,964	15,215,857	16,124,720	908,863

BURKE COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL – Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
EXPENDITURES				
General Government				
Administration	$ 335,279	$ 334,979	$ 302,460	$ (32,519)
Legal Services	20,000	20,000	67,928	47,928
County Commissioners	55,020	52,820	57,329	4,509
Burke Office Park	148,300	148,300	144,396	(3,904)
Clerk of Court	370,177	370,177	377,942	7,765
County Agent	106,627	106,627	104,292	(2,335)
Probate Court	127,150	127,150	125,317	(1,833)
Risk Management	383,000	386,300	371,258	(15,042)
State Court	159,123	159,123	149,564	(9,559)
State Court - Judge	34,402	34,402	35,738	1,336
State Court - Community Service	49,270	56,770	52,590	(4,180)
Superior Court	258,576	258,576	242,679	(15,897)
Juvenile Court	50,582	89,945	121,001	31,056
Indigent Legal Defense	190,000	190,000	78,847	(111,153)
Tax Assessor	206,949	206,949	253,617	46,668
Tax Commissioner	369,717	369,717	358,326	(11,391)
Board of Elections	172,759	171,059	173,873	2,814
Planning Commission	189,530	189,530	189,520	(10)
CSRA Regional Commission	14,788	14,788	14,852	64
Georgia Forestry Commission	-	14,000	13,563	(437)
Magistrate Court	295,586	309,086	309,254	168
District Attorney	170,000	170,000	168,743	(1,257)
Airport	15,700	15,700	9,369	(6,331)
Archives	18,100	18,100	6,716	(11,384)
Soil Conservation	26,574	26,574	26,658	84
Burke County Service Center	40,300	41,300	43,991	2,691
Interest	24,000	24,000	21,086	(2,914)
Total general government	3,831,509	3,905,972	3,820,909	(85,063)
Public Safety				
Sheriff	2,402,177	2,412,177	2,253,869	(158,308)
Coroner	33,641	32,671	34,682	2,011
County Jail	2,074,964	2,074,964	2,116,837	41,873
Animal Control	20,000	20,000	5,295	(14,705)
Total public safety	4,530,782	4,539,812	4,410,683	(129,129)

BURKE COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL – Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
EXPENDITURES - Continued				
Culture and Recreation				
Library	$ 311,128	$ 311,128	$ 318,926	$ 7,798
Recreation	738,528	738,428	781,203	42,775
Museum	8,700	8,700	9,690	990
Burke County Chamber of Commerce	18,000	18,000	18,000	-
Total culture and recreation	1,076,356	1,076,256	1,127,819	51,563
Health and Welfare				
Welfare	4,000	4,000	4,000	-
Health Department	182,000	182,000	193,532	11,532
Senior Citizens	341,246	340,246	259,930	(80,316)
Total health and welfare	527,246	526,246	457,462	(68,784)
Highways and Streets				
Road Department	3,396,727	3,396,727	3,169,321	(227,406)
Total highways and streets	3,396,727	3,396,727	3,169,321	(227,406)
Total expenditures	13,362,620	13,445,013	12,986,194	(458,819)
Excess of revenues over expenditures	1,736,344	1,770,844	3,138,526	1,367,682
OTHER FINANCING SOURCES (USES)				
Transfers in	1,847,576	1,847,576	696	(1,846,880)
Transfers out	(3,583,920)	(3,618,420)	(2,830,066)	788,354
Total other financing uses	(1,736,344)	(1,770,844)	(2,829,370)	(1,058,526)
CHANGE IN NET ASSETS	$ -	$ -	$ 309,156	$ 309,156

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BURKE COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

Hotel-Motel Fund – This fund is used to account for tax to be used for tourism-related purposes.

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.

CAPITAL PROJECTS FUND

Other Capital projects - this fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds, trust funds and SPLOST SALES TAX II fund.

BURKE COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds									Captial Projects Fund	
	Law Library	Drug Enforcement	Drug Treatment & Education	Public Library	Small Grants	Hotel Motel Taxes	Emergency Telephone System	Jail Surcharge	Victims Assistance	Other Capital Projects	Total Nonmajor Governmental Funds
ASSETS											
Cash and cash equivalents	$ 20,652	$ 19,206	$ 39,161	$ 23,443	$ -	$ -	$ 162,568	$ 10,466	$ 4,684	$ 3,865	$ 284,045
Other receivables	-	-	-	-	-	-	63,820	-	-	-	63,820
Intergovernmental receivables	-	-	950	-	20,218	-	-	2,867	1,832	34,431	60,298
Total assets	$ 20,652	$ 19,206	$ 40,111	$ 23,443	$ 20,218	$ -	$ 226,388	$ 13,333	$ 6,516	$ 38,296	$ 408,163
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable	$ -	$ -	$ -	$ -	$ 1,705	$ -	$ 1,166	$ -	$ -	$ 35,314	$ 38,185
Interfund payables	-	-	-	-	9,796	-	6,407	-	-	215,834	232,037
Accrued liabilities	-	-	-	-	-	-	3,455	-	-	-	3,455
Deferred revenue	-	-	-	-	2,657	-	-	-	-	-	2,657
Total liabilities	-	-	-	-	14,158	-	11,028	-	-	251,148	276,334
Fund Balance											
Unreserved											
Special Revenue Funds	20,652	19,206	40,111	23,443	6,060	-	215,360	13,333	6,516	-	344,681
Capital Projects Fund	-	-	-	-	-	-	-	-	-	(212,852)	(212,852)
Total fund balance	20,652	19,206	40,111	23,443	6,060	-	215,360	13,333	6,516	(212,852)	131,829
Total liabilities and fund balances	$ 20,652	$ 19,206	$ 40,111	$ 23,443	$ 20,218	$ -	$ 226,388	$ 13,333	$ 6,516	$ 38,296	$ 408,163

BURKE COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds									Captial Projects Fund	
	Law Library	Drug Enforcement	Drug Treatment & Education	Public Library	Small Grants	Hotel Motel Taxes	Emergency Telephone System	Jail Surcharge	Victims Assistance	Other Capital Projects	Total Nonmajor Governmental Funds
REVENUES											
Taxes	$ -	$ -	$ -	$ -	$ -	$ 696	$ -	$ -	$ -	$ -	$ 696
Intergovernmental	-	-	-	86,000	494,802	-	-	-	-	228,486	809,288
Charges for services	-	-	-	8,596	-	-	366,201	-	-	-	374,797
Fines and forfeitures	10,226	-	7,055	10,799	-	-	-	32,753	23,136	-	83,969
Donation	-	-	-	5,841	90	-	-	-	-	-	5,931
Interest	-	15	57	54	-	-	444	51	3	-	624
Miscellaneous	-	-	5,600	166	8,000	-	-	-	-	-	13,766
Other	-	-	-	2,182	-	-	-	-	-	11,321	13,503
Total revenues	10,226	15	12,712	113,638	502,892	696	366,645	32,804	23,139	239,807	$ 1,302,574
EXPENDITURES											
Current											
General government	14,377	-	-	-	505,077	-	-	-	-	-	519,454
Public safety	-	-	-	-	-	-	239,737	47,335	-	-	287,072
Cultural and recreation	-	-	-	119,134	-	-	-	-	-	-	119,134
Health and welfare	-	-	2,171	-	-	-	-	-	22,800	-	24,971
Capital outlay										-	
General government	-	-	-	-	-	-	-	-	-	363,086	363,086
Total expenditures	14,377	-	2,171	119,134	505,077	-	239,737	47,335	22,800	363,086	1,313,717
Excess (deficiency) of revenues over expenditures	(4,151)	15	10,541	(5,496)	(2,185)	696	126,908	(14,531)	339	(123,279)	$ (11,143)
OTHER FINANCING SOURCES (USES)											
Transfers in (out)	-	-	-	-	2,185	(696)	-	-	-	334,600	336,089
Total other financing sources (uses)	-	-	-	-	2,185	(696)	-	-	-	334,600	336,089
NET CHANGE IN FUND BALANCE	(4,151)	15	10,541	(5,496)	-	-	126,908	(14,531)	339	211,321	324,946
FUND BALANCE, BEGINNING OF YEAR	24,803	19,191	29,570	28,939	6,060	-	88,452	27,864	6,177	(424,173)	(193,117)
FUND BALANCE, END OF YEAR	$ 20,652	$ 19,206	$ 40,111	$ 23,443	$ 6,060	$ -	$ 215,360	$ 13,333	$ 6,516	$ (212,852)	$ 131,829

BURKE COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Amended and Final	Actual	Variance Over (Under)
REVENUES				
Fines & forfeitures	$ 39,000	$ 39,000	$ 10,226	$ (28,774)
Total revenues	39,000	39,000	10,226	(28,774)
EXPENDITURES				
General Government	39,000	39,000	14,377	(24,623)
Total expenditures	39,000	39,000	14,377	(24,623)
NET CHANGE IN FUND BALANCE	$ -	$ -	(4,151)	$ (4,151)
FUND BALANCE, BEGINNING OF YEAR			24,803	
FUND BALANCE, END OF YEAR			$ 20,652	

BURKE COUNTY, GEORGIA
HOTEL – MOTEL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	$ 2,000	$ 2,000	$ 696	$ (1,304)
Total revenues	2,000	2,000	696	(1,304)
EXPENDITURES				
General Government	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	2,000	2,000	696	(1,304)
OTHER FINANCING USES				
Transfers out	(2,000)	(2,000)	(696)	1,304
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, 2010

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Fines and forfeitures	$ 19,000	$ 19,000	$ -	$ (19,000)
Interest	50	50	15	(35)
Total revenues	19,050	19,050	15	(19,035)
EXPENDITURES				
Public safety	19,050	19,050	-	(19,050)
Total expenditures	19,050	19,050	-	(19,050)
NET CHANGE IN FUND BALANCE	$ -	$ -	15	$ 15
FUND BALANCE, BEGINNING OF YEAR			19,191	
FUND BALANCE, END OF YEAR			$ 19,206	

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, 2010

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Fines and forfeitures	$ 12,000	$ 12,000	$ 7,055	$ (4,945)
Interest	200	200	57	(143)
Miscellaneous	-	-	5,600	5,600
Total revenues	12,200	12,200	12,712	512
EXPENDITURES				
Welfare	79,200	79,200	2,171	(77,029)
Total expenditures	79,200	79,200	2,171	(77,029)
NET CHANGE IN FUND BALANCE	$ (67,000)	$ (67,000)	10,541	$ 77,541
FUND BALANCE, BEGINNING OF YEAR			29,570	
FUND BALANCE, END OF YEAR			$ 40,111	

BURKE COUNTY, GEORGIA
PUBLIC LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental	$ 92,700	$ 92,700	$ 86,000	$ (6,700)
Charges for services	6,700	6,700	8,596	1,896
Fines and forfeitures	12,100	12,100	10,799	(1,301)
Donation	500	500	5,841	5,341
Interest	1,000	1,000	54	(946)
Miscellaneous	-	-	166	166
Other	300	300	2,182	1,882
Total revenues	113,300	113,300	113,638	338
EXPENDITURES				
Culture and recreation	113,300	113,300	119,134	5,834
Total expenditures	113,300	113,300	119,134	5,834
NET CHANGE IN FUND BALANCE	$ -	$ -	(5,496)	$ (5,496)
FUND BALANCE, BEGINNING OF YEAR			28,939	
FUND BALANCE, END OF YEAR			$ 23,443	

BURKE COUNTY, GEORGIA
SMALL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental	$ 429,676	$ 601,466	$ 494,802	$ (106,664)
Donations	-	-	90	90
Miscellaneous	-	8,000	8,000	-
Total revenues	429,676	609,466	502,892	(106,574)
EXPENDITURES				
General government	429,676	611,466	505,077	(106,389)
Total expenditures	429,676	611,466	505,077	(106,389)
Deficiency in revenues under expenditures	-	(2,000)	(2,185)	(185)
OTHER FINANCING SOURCES				
Transfers in	-	2,000	2,185	185
Total other financing sources	-	2,000	2,185	185
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, 2010

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Charges for services	$ 355,000	$ 355,000	$ 366,201	$ 11,201
Interest	250	250	444	194
Total revenues	355,250	355,250	366,645	11,395
EXPENDITURES				
Public Safety	389,250	389,250	239,737	(149,513)
Total expenditures	389,250	389,250	239,737	(149,513)
NET CHANGE IN FUND BALANCE	(34,000)	(34,000)	126,908	160,908
FUND BALANCE, BEGINNING OF YEAR			88,452	
FUND BALANCE, END OF YEAR			$ 215,360	

BURKE COUNTY, GEORGIA
JAIL SURCHARGE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Fines and forfeitures	$ 30,000	$ 30,000	$ 32,753	$ 2,753
Interest	60	60	51	(9)
Total revenues	30,060	30,060	32,804	2,744
EXPENDITURES				
Public safety	67,970	67,970	47,335	(20,635)
Total expenditures	67,970	67,970	47,335	(20,635)
NET CHANGE IN FUND BALANCE	$ (37,910)	$ (37,910)	(14,531)	$ 23,379
FUND BALANCE, BEGINNING OF YEAR			27,864	
FUND BALANCE, END OF YEAR			$ 13,333	

BURKE COUNTY, GEORGIA
VICTIM'S ASSISTANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
REVENUES				
Additional penalty	$ 25,000	$ 25,000	$ 23,136	$ (1,864)
Interest	50	50	3	(47)
Total revenues	25,050	25,050	23,139	(1,911)
EXPENDITURES				
Payments to other agencies	33,650	33,650	22,800	(10,850)
Total expenditures	33,650	33,650	22,800	(10,850)
NET CHANGE IN FUND BALANCE	$ (8,600)	$ (8,600)	339	$ 8,939
FUND BALANCE, BEGINNING OF YEAR			6,177	
FUND BALANCE, END OF YEAR			$ 6,516	

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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, 2010

	Vehicle Maintenance	Facilities Maintenance	Total
ASSETS			
Interfund receivables	$ 90,528	$ 28,637	$ 119,165
Total assets	$ 90,528	$ 28,637	$ 119,165
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	$ 84,903	$ 25,682	$ 110,585
Accrued wages	5,625	2,955	8,580
Total liabilities	90,528	28,637	119,165
Net Assets			
Total net assets	-	-	-
Total liabilities and net assets	$ 90,528	$ 28,637	$ 119,165

BURKE COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Vehicle Maintenance	Facilities Maintenance	Total
OPERATING REVENUES			
Charges for services	$ 1,998,702	$ 530,727	$ 2,529,429
OPERATING EXPENSES			
Personnel services	582,397	274,585	856,982
Operations	1,416,305	256,142	1,672,447
Total operating expenses	1,998,702	530,727	2,529,429
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, 2010

	Vehicle Maintenance	Facilities Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from internal services provided	$ 2,001,627	$ 524,163	$ 2,525,790
Cash paid to suppliers and others	(1,401,889)	(242,908)	(1,644,797)
Cash paid to employees	(599,738)	(281,255)	(880,993)
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	2,925	(6,564)	(3,639)
Accounts payable	14,416	13,234	27,650
Accrued liabilities	(17,341)	(6,670)	(24,011)
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.

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

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

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

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

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

BURKE COUNTY, GEORGIA
AGENCY FUND - COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
SEPTEMBER 30, 2010

	Sheriff	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Total
Assets						
Cash and cash equivalents	$ 40,061	$ 356,839	$ 124,602	$ -	$ 20,028	$ 541,530
Total assets	$ 40,061	$ 356,839	$ 124,602	$ -	$ 20,028	$ 541,530
Liabilities						
Due to others	$ 40,061	$ 356,839	$ 124,602	$ -	$ 20,028	$ 541,530
Total liabilities	$ 40,061	$ 356,839	$ 124,602	$ -	$ 20,028	$ 541,530

BURKE COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Balance 10/1/2009	Additions	Deductions	Balance 9/30/2010
Sheriff				
Assets				
Cash	$ 23,360	$ 345,909	$ (329,208)	$ 40,061
Liabilities				
Due to others	$ 23,360	$ 345,909	$ (329,208)	$ 40,061
Tax Commissioner				
Assets				
Cash	$ 353,201	$ 38,717,697	$ (38,714,059)	$ 356,839
Liabilities				
Due to others	$ 353,201	$ 38,717,697	$ (38,714,059)	$ 356,839
Clerk of Superior Court				
Assets				
Cash	$ 194,470	$ 939,926	$ (1,009,794)	$ 124,602
Liabilities				
Due to others	$ 194,470	$ 939,926	$ (1,009,794)	$ 124,602
Probate Court				
Assets				
Cash	$ -	$ 35,349	$ (35,349)	$ -
Liabilities				
Due to others	$ -	$ 35,349	$ (35,349)	$ -
Magistrate Court				
Assets				
Cash	$ 17,407	$ 251,828	$ (249,207)	$ 20,028
Liabilities				
Due to others	$ 17,407	$ 251,828	$ (249,207)	$ 20,028
Total Agency Funds				
Assets				
Cash	$ 588,438	$ 40,290,709	$ (40,337,617)	$ 541,530
Liabilities				
Due to others	$ 588,438	$ 40,290,709	$ (40,337,617)	$ 541,530

COMPLIANCE SECTION AND SUPPLEMENTARY SCHEDULES

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

John P. Gillion, Jr., CPA, PFS, CFS, CVA, CFP®
Brenda F. Carroll, CPA, CFE, CIA, CICA, FCPA, CSEP, PFS
Rep E. Whiddon, CPA, CVA

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, 2010, which collectively comprise Burke County, Georgia's basic financial statements and have issued our report thereon dated March 7, 2011. We did not audit the financial statements of the Burke County Health Department, a discretely presented component unit, whose statements reflect total assets of $997,671 and total net assets of $964,235 as of June 30, 2010, and total revenues of $622,168 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 Burke County, Georgia's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financing reporting, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financing reporting as item 2010-1. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged by governance.

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

instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2010-1.

We noted certain matters that we reported to management of Burke County, Georgia, in a separate letter dated March 7, 2011.

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 7 , 2011

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

John P. Gillion, Jr., CPA, PFS, CFS, CVA, CFP®
Brenda F. Carroll, CPA, CFE, CIA, CICA, FCPA, CSEP, PFS
Rep E. Whiddon, CPA, CVA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
Burke County, Georgia

Compliance

We have audited Burke County, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Burke County, Georgia's major federal programs for the year ended September 30, 2010. Burke County, Georgia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Burke County, Georgia's management. Our responsibility is to express an opinion on Burke County, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Burke County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Burke County, Georgia's compliance with those requirements.

In our opinion, Burke County, Georgia, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

Internal Control over Compliance

Management of Burke County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Burke County, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Burke County, Georgia's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, County Board of Commissioners, others within the entity, 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 7, 2011

BURKE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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,			
pass-through from Georgia Department of Human Resources	93.045	n/a	$ 88,557
and CSRA Regional Development Center.	93.053	n/a	18,085
Total U.S. Department of Health and Human Services			106,642
U.S. Department of Justice			
Juvenile Offenders Program			
Juvenile Accountability Incentive Block Grant			
(Passed through Council of Juvenile Court			
Judges of Georgia) FY 2010	16.523	JB-07ST-004	5,282
Edward Byrne Justice Assistance Grant FY 2007	16.738	2007-DJ-BX-0328	7
ARRA - Recovery Act Edward Byrne Memorial Justice			
Assistance Grant FY 2009	16.804	2009-SB-B9-0671	14,199
Edward Byrne Justice Assistance Grant FY 2009	16.738	2009-DJ-BX-0437	8,510
Total U.S. Department of Justice			27,998
U.S. Department of Homeland Security			
Department of Homeland Security Buffer Zone Protection			
Program (Passed through GA Emergency Management Agency)		FIPS #033-00000-05	
FY07	97.078	GAN #2007-BZ-T7-0035	126,470
Federal Emergency Management Agency Performance			
Partnership Agreement			
(Passed through Georgia Emergency Management			
Agency) FY 2009	97.042	OEM09-017	6,923
Total U.S. Department of Homeland Security			133,393
U.S. Department of Labor			
Workforce Investment Act Work Incentive Grant Cooperative			
Agreement passed through Governor's Office of Workforce			
Development of the State of Georgia	17.266	AA-14670-05-55	5,451
Total U.S. Department of Labor			5,451
U.S. Department of Agriculture			
Natural Resource Conservation Service			
Conservation Reserve Program	10.069	65-4310-9-386	12,000
Total U.S. Department of Agriculture			12,000

BURKE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES FEDERAL AWARDS - Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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		T003112	
(Passed through Georgia Department of Transportation)	20.509	GA-18-4030	$ 94,748
Section 5311 Rural Public Transportation		MTG00-0128-00-138	
(Passed through Georgia Department of Transportation)	20.509	GA-18-0025	71,206
Section 5311 Rural Public Transportation		T003503	
(Passed through Georgia Department of Transportation)	20.509	GA-18-4031	21,176
Airport Improvement Program		AP100-9909-12(033)	
(Passed through Georgia Department of Transportation)	20.106	PID - T002738	223,122
ARRA - Recovery Act Section 5311 Rural Public Transportation		T002820	
(Passed through Georgia Department of Transportation)	20.509	GA-86-X001	39,368
Off System Safety Project, Highway Planning and Construction		CSSFT-0008-00(745) Burke	
(Passed through Georgia Department of Transportation)	20.205	PI # 0008745	268,873
Total U.S. Department of Transportation			718,493
Total Expenditures of Federal Awards			$ 1,003,977

Note – Significant Accounting Policies

The significant accounting policies used to prepare the schedule of expenditures of federal awards are 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, 2010

State Grantor	Grant Number	Program Expenditures
Georgia Department of Transportation Airport Improvement Program	AP-100-9909-12(033) PID - T002738	$ 5,364
Georgia Department of Transportation Rural Public Transportation Capital Grant	MTG00-0128-00-138 GA-18-0025	13,036
Georgia Department of Human Resources Senior Citizens Nutrition Program (Passed through CSRA Regional Commission)	n/a	5,214
Georgia Department of Community Health Office of Emergency Preparedness and Response (Passed through Georgia Association of Emergency Medical Services, Inc.)	PH201001G	18,790
Georgia Department of Human Resources Purchase ambulance	427-93-09091275-99	71,429
Georgia Historical Records Advisory Board Grant	29000	3,000
Georgia Department of Community Affairs One Georgia BRIDGE Fund Award	09gb-017-1-4541	40,000
Georgia Department of Community Affairs Communities of Opportunity Initiative Prog	n/a	3,000
Council of Juvenile Court Judges of GA Juvenile Offenders Program	JB-07ST-004	1,118
Council of Juvenile Court Judges of GA Juvenile Judge Grant	n/a	21,500
Georgia Department of Human Resources Division of Public Health, Office of Preparedness Pandemic Influenza Planning and Exercise Grant	n/a	102
TOTAL EXPENDITURES OF STATE AWARDS		$ 182,553

BURKE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SUMMARY OF THE AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Burke County, Georgia for the year ended September 30, 2010.

2. Our audit of the financial statements disclosed a significant deficiency in internal control over financial reporting that is not considered to be a material weakness.

3. No instances of noncompliance material to the financials statements of Burke County, Georgia, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

4. No significant deficiencies in internal controls over major federal award programs were disclosed during the audit.

5. The auditors' report on compliance for the major federal award programs Burke County, Georgia expresses an unqualified opinion on all major federal programs.

6. Our audit disclosed no audit findings which relate to the federal awards which are required to be reported under section 510(a) of OMB Circular A-133.

7. Major federal program for Burke County, Georgia for the fiscal year ended September 30, 2010 are:

Program Name	**CFDA#**
Department of Homeland Security Buffer Zone Protection Program	97.078
Airport Improvement Program	20.106
Off System Safety Project, Highway Planning and Construction	20.205

8. The threshold for determining Type A programs for Burke County, Georgia is $300,000.

9. Burke County, Georgia did not qualify as a low risk auditee.

SUMMARY OF AUDIT FINDINGS

Audit findings reported for the year ended September 30, 2010:

Finding: **2010-1**

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 2010-1 states that transactions for all funds were not recorded on the trial balance 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, 2010

Project	Original Estimated Cost	Prior Years Cost	Current Period Cost	Total Cost	Estimated Percentage of Completion
Burke County					
Recreation facility	$ 1,000,000	$ 619,097	$ 3,172	$ 622,269	62%
Industrial development	1,000,000	39,961	-	39,961	4%
Building construction and renovations	1,500,000	1,500,000	-	1,500,000	100%
Hospital projects	1,500,000	1,027,456	390,967	1,418,423	95%
Roads, streets, and bridges	5,257,673	3,941,089	496,405	4,437,494	84%
Waynesboro					
Water, sewer, and storm drainage systems/building renovations	4,301,605	2,937,464	1,121,191	4,058,655	94%
Sardis					
Capital equipment/building renovations/ streets, drainage, and sidewalks	992,000	677,875	258,736	936,611	94%
Midville					
Building renovations/water and sewer improvements and equipment	496,339	338,939	129,368	468,307	94%
Keysville					
Water system improvements/building renovations	330,893	225,957	86,245	312,202	94%
Girard					
Building renovations/equipment shed/ holiday decorations/walking path	165,446	112,979	43,123	156,102	94%
Totals	$ 16,543,956	$ 11,420,817	2,529,207	$ 13,950,024	

Roads, streets, and bridge costs funded by General Fund	429,682
SPLOST 2 fund total expenditures	$ 2,958,889

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECT COSTS AND SOURCE AND APPLICATION OF FUNDS FOR ONEGEORGIA AUTHORITY BRIDGE GRANT FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

Project: OneGeorgia BRIDGE Fund Grant
Feasibility study of broadband internet
Grant Number: 09gb-017-1-4541
Commencement of project activity: November 2009
Percentage complete: 100%

Description	Funding	Prior Year Costs	Current Year Costs	Total Cost
Feasibility study of broadband internet	$ 40,000	$ -	$ 40,000	$ 40,000