BURKE COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2012

TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditor's Report	3
Management's Discussion and Analysis (Unaudited)	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Fire Protection Fund	22
Statement of Net Position - Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25
Statement of Fiduciary Assets and Liabilities - Agency Funds	26
Notes to the Financial Statements	27
Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	53
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Law Library Fund	55
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Drug Enforcement Fund	56
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Drug Treatment and Education Fund	57
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Public Library Fund	58

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Small Grants Fund 59
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Large Grants Fund 60
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Hotel/Motel Tax Fund 61
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Emergency Telephone System Fund 62
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Jail Surcharge Fund 63
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Victims Assistance Fund 64
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sheriff's Confiscated Assets Fund 65
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Inmate Commissary Fund 66
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Supplemental Juvenile Services Fund 67
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sheriff's Commissions Fund 68

Internal Service Funds:
Combining Statement of Net Position 70
Combining Statement of Revenues, Expenses, and Changes in Net Position 71
Combining Statement of Cash Flows 72

Fiduciary Funds - Agency Funds:
Combining Statement of Fiduciary Assets and Liabilities 74

Schedule of Projects Paid with Special Purpose Local Option Sales Tax Proceeds 75

Schedule of Projects Costs and Source and Application of Funds for Community Development Block Grant Funds 77

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 78

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards 80

Notes to Schedule of Expenditures of Federal Awards 81

Schedule of Expenditures of State Awards 82

Independent Auditor's Report on Compliance with Requirments 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 83

Schedule of Findings and Questioned Costs 85

THIGPEN, LANIER, WESTERFIELD & DEAL

CERTIFIED PUBLIC ACCOUNTANTS
201 SOUTH ZETTEROWER AVENUE
P.O. BOX 505
STATESBORO, GEORGIA 30459
PHONE (912) 489-8756
FAX (912) 489-1243

MARSHALL R. THIGPEN, CPA
WILLIAM RUSSELL LANIER, CPA
JOSEPH S. WESTERFIELD, CPA
RICHARD N. DEAL, CPA
KAY S. PROCTOR, CPA
LEE ANN LANE, CPA
JENNIFER GROOMS, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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 units, each major fund, and the aggregate remaining fund information of Burke County, Georgia as of and for the year ended September 30, 2012, 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. 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 the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Burke County, Georgia as of September 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Fire Protection Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated March 18, 2013, on our consideration of the Burke County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our 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 combining and individual nonmajor fund statements and schedules and schedules of projects paid with SPLOST proceeds are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes 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 and schedules, schedules of projects paid with SPLOST proceeds, the schedule of expenditures of federal awards, and the schedule of expenditures of state awards 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 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Thigpen, Lanier, Westerfield & Deal

March 18, 2013

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, 2012 and 2011. This discussion and analysis is designed to look at the Government's financial performance as a whole. Readers should also review the complete financial statements, with notes, which follow this narrative, for a better understanding of the Government's financial performance.

Overview of the Financial Statements

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

Basic Financial Statements

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

The next statements are Fund Financial Statements. These statements focus on the activities of the individual parts of Burke County, Georgia's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the notes, which explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Government's non-major governmental funds and other information which provide additional information for the basic financial statements.

Government-wide Financial Statements

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

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

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

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

The Development Authority of Burke County serves to promote, pursue, and implement economic development in the County. The Burke County Health Department is a public health department. 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 Position

Net Position may serve over time as one useful indicator of a government's financial condition. The assets of the Government exceeded liabilities by $37.1 million and $35.9 million as of September 30, 2012 and September 30, 2011, respectively.

The largest portion of Burke County's net position, 83.5% in 2012 and 87.7% in 2011, reflects its investment in capital assets such as land, buildings, equipment, and roads. Burke County uses these

capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

Burke County's Net Position
September 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 12,043,649	$ 8,261,343	$ (26,003)	$ 22,688	$ 12,017,646	$ 8,284,031
Capital assets	29,071,526	29,669,194	1,921,565	1,827,178	30,993,091	31,496,372
Total assets	41,115,175	37,930,537	1,895,562	1,849,866	43,010,737	39,780,403
Long-term liabilities outstanding	1,864,173	436,877	1,808,281	1,772,535	3,672,454	2,209,412
Other liabilities	2,145,465	1,587,794	87,281	77,331	2,232,746	1,665,125
Total liabilities	4,009,638	2,024,671	1,895,562	1,849,866	5,905,200	3,874,537
Net position:						
Invested in capital assets	29,071,526	29,669,194	1,921,565	1,827,178	30,993,091	31,496,372
Restricted for:						
Capital projects	5,123,512	3,983,867	-	-	5,123,512	3,983,867
Other purposes	161,280	197,906	-	-	161,280	197,906
Unrestricted	2,749,219	2,054,899	(1,921,565)	(1,827,178)	827,654	227,721
Total net position	$ 37,105,537	$ 35,905,866	$ -	$ -	$ 37,105,537	$ 35,905,866

The balance of unrestricted net position, 2.2% in 2012 and .6% in 2011, may be used to meet the Government's ongoing obligations to citizens and creditors.

The Government's net position increased by $2,283,912 and $2,652,770 during the fiscal years ended September 30, 2012 and 2011, respectively.

Governmental activities

Governmental activities increased Burke County's net position by $2,283,912 in 2012 and $2,652,770 in 2011 thereby accounting for 100% in 2012 and 100% in 2011 of the total change in the net position of Burke County. The key factor for 2012 was a substantial increase in the tax digest. In 2011 there was a significant increase in sales tax revenue due to major construction projects in the County.

Business-type activities

Business-type activities had no effect on Burke County's net position in 2012 or 2011, accounting for 0% in 2012 and 2011 of the total change in the government's net position.

Burke County's Changes in Net Position
September 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total	
	Fiscal Year Ended September 30, 2012	Fiscal Year Ended September 30, 2011	Fiscal Year Ended September 30, 2012	Fiscal Year Ended September 30, 2011	Fiscal Year Ended September 30, 2012	Fiscal Year Ended September 30, 2011
Revenues:						
Program revenues:						
Fees, Fines, and Charges for services	$ 3,210,010	$ 3,146,840	$ 491,031	$ 480,051	$ 3,701,041	$ 3,626,891
Operating grants and contributions	428,819	601,720	81,797	83,868	510,616	685,588
Capital grants and contributions	587,046	3,491		80,177	587,046	83,668
General revenues:						
Property taxes	17,692,843	14,981,770			17,692,843	14,981,770
Other taxes	8,987,606	10,877,653			8,987,606	10,877,653
Other	76,401	44,663			76,401	44,663
Total revenues	30,982,725	29,656,137	572,828	644,096	31,555,553	30,300,233
Expenses:						
General government	1,517,807	5,574,926			1,517,807	5,574,926
Judicial	1,813,032				1,813,032	
Public safety	12,986,629	12,422,591			12,986,629	12,422,591
Culture and recreation	1,414,098	1,309,778			1,414,098	1,309,778
Health and welfare	1,052,957	572,881			1,052,957	572,881
Public works	6,627,201	5,926,050			6,627,201	5,926,050
Housing and development	1,849,150				1,849,150	
Interest on long-term debt	12,316				12,316	-
Solid Waste			1,627,198	1,552,338	1,627,198	1,552,338
Transit			371,253	352,092	371,253	352,092
Total expenses	27,273,190	25,806,226	1,998,451	1,904,430	29,271,641	27,710,656
Change in net position before transfers	3,709,535	3,849,911	(1,425,623)	(1,260,334)	2,283,912	2,589,577
Gain (Loss) on sale of capital assets	-	92,754	-	(29,561)	-	63,193
Transfers	(1,425,623)	(1,289,895)	1,425,623	1,289,895	-	-
Increase (Decrease) in net position	2,283,912	2,652,770	-	-	2,283,912	2,652,770
Net position, beginning of year, restated	34,821,625	33,253,096	-	-	34,821,625	33,253,096
Net position, end of year	$ 37,105,537	$ 35,905,866	$ -	$ -	$ 37,105,537	$ 35,905,866

Financial Analysis of the Government's Funds

Burke County uses fund accounting to demonstrate compliance with finance-related legal requirements. The County incorporated GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions", during the fiscal year ended September 30, 2011.

Governmental Funds

The focus of the Government's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Government's financial requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The combined fund balance of all the governmental funds is $10.1 million in 2012 and $6.5 million in 2011, of which $4.2 million in 2012, or 41% and $1.7 million in 2011, or 27%, was unassigned.

General Fund

The General Fund is the primary operating fund of the Government. At the end of the current fiscal year, unassigned fund balance of the general fund was $5.4 million in 2012 and $3.9 million in 2011, while total fund balance was $6.1 million in 2012 and $4.5 million in 2011. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and net transfers out. Unassigned fund balance represents 33.5% in 2012 and 24.1% in 2011 of total General Fund expenditures and net transfers out. Total fund balance represents 37.3% in 2012 and 27.4% in 2011 of that same amount.

The fund balance of Burke County's General Fund increased by $1,593,451 and $502,361 during the fiscal years ended September 30, 2012 and 2011, respectively. The key factors in these changes were increased property and sales tax revenue coupled with consistent efforts to monitor operating expenditures in 2012 and 2011.

Capital Projects Funds

The Government uses Capital Projects Funds to account for the acquisition and construction of major capital facilities that are not financed by Proprietary Funds. A major fund in the fund financial statements is the Special Purpose Local Option Sales Tax II Fund. The proceeds of the special purpose 1% sales tax (SPLOST 2) are accounted for in this Capital Projects Fund until expenditures are incurred. The decrease in fund balance in 2012 of $600,433 and increase in 2011 of $2,259,307 was due to the timing difference of collections versus expenditures. Another major fund in the fund financial statements is the Special Purpose Local Option Sales Tax III Fund. The proceeds of the special purpose 1% sales tax (SPLOST 3) are accounted for in this Capital Projects Fund until expenditures are incurred. The fund began collecting revenue on April 1, 2012. The increase in fund balance in 2012 of $1,740,078 was due to the timing difference of collections versus expenditures as some major projects are on hold until the fund collects enough revenue to proceed with the project.

Special Revenue Funds

The Fire Protection Fund, a major special revenue fund, is used by the Government to account for Fire related expenses as well as Emergency Management Agency expenses for the County. Fund balance increased by $915,688 in 2012 and $120,842 in 2011 due primarily to increased property tax revenues in 2012 and increased ambulance service revenues in 2011.

Proprietary Funds

Burke County's proprietary funds provide the same type information found in the government-wide financial statements, but in more detail. Net position of the Solid Waste Fund amounted to $0 for the fiscal years ended September 30, 2012 and 2011, respectively. Net position in the Burke Transit Fund amounted to $0 for the fiscal years ended September 30, 2012 and 2011, respectively. The total change in net position in the Solid Waste Fund was $0 in 2012 and 2011. The total change in net position in the Burke Transit Fund was $0 for the fiscal years ended September 30, 2012 and 2011, respectively. The Government's internal service funds, Vehicle Maintenance Fund and Facility Maintenance Fund, had a net position of zero in 2012 and 2011 and total growth in net position of zero during 2012 and 2011.

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 2012, the difference between the original budget and the final amended budget was an increase in other revenue and a corresponding increase in the Clerk of Court's office for records management services. Actual revenues were $379,435 over budget primarily due to increased property tax revenues. Actual expenditures were $1,346,717 under budget (budget basis), primarily the result of lower personnel costs at the Jail and Sheriff's Office and lower maintenance costs in the Public Works department.

For 2011, the difference between the original budget and the final amended budget was an increase in local option sales tax of $81,000 and a resulting additional transfer of $81,000 to the solid waste fund for monitoring services. Actual revenues were $24,007 over budget, which are expected results. Actual expenditures were $952,338 under budget (budget basis), primarily the result of continued efforts to reduce costs in the County. We specifically noted a reduction in maintenance costs on Road Department equipment and a reduction in personnel costs at the Sheriff's Office.

Capital Assets and Debt Administration

Burke County's investment in capital assets for its governmental and business-type activities as of September 30, 2012 and 2011 amounted to $30,993,091 and $31,496,372, 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 2012 included the following:

- SPLOST-funded portion of road construction in the amount of $747,378
- General fund-funded portion of road construction in the amount of $425,527
- SPLOST-funded purchase of patrol cars of $49,000
- SPLOST and grant-funded airport improvements of $117,615
- Grant/local match-funded renovation of public building of $469,559

Major capital asset transactions during 2011 included the following:

- SPLOST-funded portion of road construction in the amount of $963,538
- General fund-funded portion of road construction in the amount of $267,053
- General fund-funded purchase of land in the amount of $184,012
- Purchase of three ambulances in the Fire Fund, of which 64% was funded by grant funds and 36% by the Fire Fund, in the amount of $344,700
- Grant/local match-funded land purchased for runway extension at airport for $279,064
- Fire fund-funded purchases of two ambulances and one fire truck in the amount of $440,702

Additional information on capital assets can be found in Note 5 to the financial statements.

Burke County's Capital Assets
(net of depreciation)
September 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Construction in progress	$ 216,274	$ 106,507	$ -	$ -	$ 216,274	$ 106,507
Land	1,286,011	1,286,011	1,037,752	1,037,752	2,323,763	2,323,763
Buildings	10,676,574	10,643,705	80,474	83,171	10,757,048	10,726,876
Improvements	-	-	25,119	48,281	25,119	48,281
Equipment	1,828,993	2,122,901	778,220	657,974	2,607,213	2,780,875
Infrastructure	15,063,674	15,510,070	-	-	15,063,674	15,510,070
Total	$ 29,071,526	$ 29,669,194	$ 1,921,565	$ 1,827,178	$ 30,993,091	$ 31,496,372

Long-Term Debt

Burke County had a total of $3,881,337 in outstanding long-term debt as of September 30, 2012 and $2,209,412 in outstanding long-term debt as of September 30, 2011. 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, 2012 and 2011. There were no bonds issued during 2012 or 2011.

Burke County's Outstanding Debt
General Obligation Bonds and Other Debt
September 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Accrued compensated absences	$ 475,508	$ 436,877	$ 17,527	$ 16,897	$ 493,035	$ 453,774
Net pension obligation	$ 1,595,796				$ 1,595,796	
Landfill closure costs	-	-	1,792,506	1,755,638	1,792,506	1,755,638
Total debt	$ 2,071,304	$ 436,877	$ 1,810,033	$ 1,772,535	$ 3,881,337	$ 2,209,412

The State of Georgia limits the amount of general obligation debt that a unit of government can issue to 10% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the government is just over $201 million.

The Burke County Hospital Authority applied for a line of credit during the fiscal year ended September 30, 2012 for $2,000,000. The financial institution issuing the line of credit required a guaranty by the County to ensure repayment of the debt, thus creating a contingent liability for the County in the event the Hospital Authority could not repay the note. The Hospital Authority line of credit balance was $1,650,000 at September 30, 2012.

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

The 2012 Fiscal Year saw a much improved local economy. The property tax digest grew by $176 million. Construction at Plant Vogtle for two new nuclear reactors was underway and new housing for workers helped our economy to grow. Other local industries have shown some increase in employment as well. New retail and service businesses are emerging to support the growth in workers and residents associated with the construction at Plant Vogtle.

The Budget for FY 2013 is showing growth in the General Fund after several years of decline. This can be accomplished without an increase in the millage rate due to growth in sales tax revenue and growth in the property tax digest. The causes for the increase in spending are related mostly to personnel cost and catching up on maintenance of facilities that had been put off during our lean years. We expect revenues to continue to grow for the next six years as construction at Plant Vogtle continues. After 2019, the utility digest will begin to decline in value.

This year we discovered that the current Special Purpose Local Option Sales Tax would not generate the projected revenues due to an exemption that was extended to equipment and machinery used to generate electricity. This shortfall in the sales tax revenue projections will be made up by an increase in the property tax values of the utility-owned property in the County. We expect all the County projects listed in the SPLOST program to be constructed on schedule.

Requests for Information

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

BURKE COUNTY, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Health Department	Development Authority
ASSETS					
Current Assets:					
Cash	$ 5,683,544	-	$ 5,683,544	$ 521,979	$ 717,980
Investments	3,540,434	-	3,540,434	423,797	500,000
Receivables:					
Taxes	768,530	-	768,530	-	-
Intergovernmental	1,125,139	$ 42,975	1,168,114	-	65,891
Internal balances	156,502	(156,502)	-	-	-
Other	138,701	87,524	226,225	58,064	1,426
Prepaid items	118,293	-	118,293	-	-
Inventories	512,506	-	512,506	-	-
Total Current Assets	12,043,649	(26,003)	12,017,646	1,003,840	1,285,297
Capital Assets:					
Nondepreciable capital assets	1,502,285	1,037,752	2,540,037	-	4,599,607
Depreciable capital assets, net	27,569,241	883,813	28,453,054	12,926	84,151
Total Capital Assets	29,071,526	1,921,565	30,993,091	12,926	4,683,758
Total Assets	41,115,175	1,895,562	43,010,737	1,016,766	5,969,055
LIABILITIES					
Current Liabilities:					
Accounts payable	726,637	75,731	802,368	19,047	4,474
Intergovernmental payable	456,206	-	456,206		178,367
Accrued payroll	274,389	9,798	284,187	-	2,260
Retirement contributions payable	479,075	-	479,075	-	-
Unearned revenue	2,027	-	2,027	4,119	-
Net pension obligation	159,580	-	159,580	-	-
Compensated absences payable	47,551	1,752	49,303	-	775
Total Current Liabilities	2,145,465	87,281	2,232,746	23,166	185,876
Long-Term Liabilities:					
Net pension obligation (net of current portion)	1,436,216	-	1,436,216	-	-
Compensated absences payable (net of current portion)	427,957	15,775	443,732	31,569	6,978
Accrued landfill closure and postclosure care costs	-	1,792,506	1,792,506	-	-
Total Long-Term Liabilities	1,864,173	1,808,281	3,672,454	31,569	6,978
Total Liabilities	4,009,638	1,895,562	5,905,200	54,735	192,854
NET POSITION					
Net investment in capital assets	29,071,526	1,921,565	30,993,091	12,926	4,683,758
Restricted for:					
Capital projects	5,123,512	-	5,123,512	-	-
Other purposes	161,280	-	161,280	-	-
Unrestricted	2,749,219	(1,921,565)	827,654	949,105	1,092,443
Total Net Position	$ 37,105,537	$ -	$ 37,105,537	$ 962,031	$ 5,776,201

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Program/Function	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Health Department	Component Units: Development Authority
Primary Government									
Governmental Activities									
General government	$ 1,517,807	$ 757,938	$ 70,766	-	$ (689,103)	-	$ (689,103)	-	-
Judicial	1,813,032	237,631	32,269	-	(1,543,132)	-	(1,543,132)	-	-
Public safety	12,986,629	2,004,385	70,324	$ 6,890	(10,905,030)	-	(10,905,030)	-	-
Public works	6,627,201	-	-	5,923	(6,621,278)	-	(6,621,278)	-	-
Health and welfare	1,052,957	23,541	155,263	459,559	(414,594)	-	(414,594)	-	-
Culture and recreation	1,414,098	122,410	86,100	-	(1,205,588)	-	(1,205,588)	-	-
Housing and development	1,849,150	64,105	14,097	114,674	(1,656,274)	-	(1,656,274)	-	-
Interest	12,316	-	-	-	(12,316)	-	(12,316)	-	-
Total governmental activities	27,273,190	3,210,010	428,819	587,046	(23,047,315)	-	(23,047,315)	-	-
Business-type Activities									
Solid Waste	1,627,198	362,080	-	-	-	$ (1,265,118)	(1,265,118)	-	-
Transit	371,253	128,951	81,797	-	-	(160,505)	(160,505)	-	-
Total business-type activities	1,998,451	491,031	81,797	-	-	(1,425,623)	(1,425,623)	-	-
Total - Primary Government	$ 29,271,641	$ 3,701,041	$ 510,616	$ 587,046	(23,047,315)	(1,425,623)	(24,472,938)	-	-
Component Units:									
Burke County Board of Health	$ 655,967	$ 181,437	$ 482,846	-				$ 8,316	-
Development Authority of Burke County	228,162	429,342	-	$ 1,147,811				-	$ 1,348,991
Total Component Units	$ 884,129	$ 610,779	$ 482,846	$ 1,147,811				8,316	1,348,991
		General Revenues							
		Property taxes levied for:							
		General purposes			11,635,262	-	11,635,262	-	-
		Fire protection			6,057,581	-	6,057,581	-	-
		Sales taxes			8,068,264	-	8,068,264	-	-
		Insurance premium tax			699,529	-	699,529	-	-
		Other taxes			219,813	-	219,813	-	-
		Interest earned			5,851	-	5,851	-	3,709
		Miscellaneous			70,550	-	70,550	-	-
		Total General Revenues			26,756,850	-	26,756,850	-	3,709
		Transfers			(1,425,623)	1,425,623	-	-	-
		Total General Revenues and Transfers			25,331,227	1,425,623	26,756,850	-	3,709
		Change in Net Position			2,283,912	-	2,283,912	30,376	1,352,700
		Net Position, Beginning of Year, As Restated			34,821,625	-	34,821,625	931,655	4,423,501
		Net Position, End of Year			$ 37,105,537	$ -	$ 37,105,537	$ 962,031	$ 5,776,201

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	General	Fire Protection	SPLOST II	SPLOST III	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 3,714,596	$ 18,130	$ 1,000	$ 1,826,067	$ 123,751	$ 5,683,544
Investments	-	-	3,540,434	-	-	3,540,434
Receivables:						
Taxes	748,259	20,271	-	-	-	768,530
Intergovernmental	478,464	-	-	499,197	147,478	1,125,139
Other	-	49,111	-	-	89,590	138,701
Due from other funds	1,592,157	-	-	-	-	1,592,157
Prepaid items	118,293	-	-	-	-	118,293
Inventories	512,506	-	-	-	-	512,506
TOTAL ASSETS	$ 7,164,275	$ 87,512	$ 3,541,434	$ 2,325,264	$ 360,819	$ 13,479,304
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 271,066	$ 25,825	$ 158,000	$ 92,316	$ 68,136	$ 615,343
Accrued payroll	141,920	110,964	-	-	5,319	258,203
Retirement contribution payable	479,075	-	-	-	-	479,075
Intergovernmental payable	-	-	-	456,206	-	456,206
Due to other funds	173,475	1,228,939	-	36,664	124,057	1,563,135
Unearned revenue	-	-	-	-	2,027	2,027
TOTAL LIABILITIES	1,065,536	1,365,728	158,000	585,186	199,539	3,373,989
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	23,156	9,555	-	-	-	32,711
FUND BALANCES						
Nonspendable	630,799	-	-	-	-	630,799
Restricted	-	-	3,383,434	1,740,078	161,280	5,284,792
Unassigned	5,444,784	(1,287,771)	-	-	-	4,157,013
TOTAL FUND BALANCES	6,075,583	(1,287,771)	3,383,434	1,740,078	161,280	10,072,604
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 7,164,275	$ 87,512	$ 3,541,434	$ 2,325,264	$ 360,819	$ 13,479,304

See accompanying note to the basic financial statements.

BURKE COUNTY, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2012

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Fund Balances		$ 10,072,604
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	$ 68,821,990	
Less accumulated depreciation	(39,750,464)	29,071,526
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds:		
Property taxes		$ 32,711
Interfund receivables and payables between governmental funds are reported on the funds balance sheet but eliminated on the government-wide statement of net position:		
Interfund receivables	$ 1,563,135	
Interfund payables	(1,563,135)	-
A liability is reported on the government-wide statement of net position for the County's cumulative underfunding of its annual required contribution to its pension plan.		(1,595,796)
Long-term liabilities such as compensated absenses payable are not due and payable in the current period and therefore are not reported in the funds but are reported on the statement of net position.		(475,508)
Net Position Of Governmental Activities		$ 37,105,537

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General	Fire Protection	SPLOST II	SPLOST III	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 15,991,442	$ 6,122,330	$ 2,114,324	$ 2,632,633	$ 111	$ 26,860,840
Licenses and permits	69,630	-	-	-	-	69,630
Charges for services	1,110,176	1,125,868	-	-	369,468	2,605,512
Fees, fines and forfeitures	351,742	-	-	-	81,115	432,857
Intergovernmental	268,603	35,624	-	114,674	587,592	1,006,493
Contributions and donations	-	-	-	-	3,449	3,449
Interest	5,629	-	5,763	160	222	11,774
Other	70,550	1,234	-	-	100,777	172,561
Total revenues	17,867,772	7,285,056	2,120,087	2,747,467	1,142,734	31,163,116
EXPENDITURES						
Current:						
General government	1,855,836	-	-	-	-	1,855,836
Judicial	1,761,853	-	-	-	13,646	1,775,499
Public safety	4,221,048	7,302,582	-	-	602,412	12,126,042
Public works	3,321,175	-	-	-	-	3,321,175
Health and welfare	538,104	-	-	-	25,948	564,052
Culture and recreation	1,198,002	-	-	-	106,112	1,304,114
Housing and development	571,734	-	-	-	643	572,377
Capital outlay						
Judicial	-	-	-	6,276	-	6,276
Public safety	-	-	-	57,766	6,890	64,656
Public works	-	-	1,161,457	11,448	-	1,172,905
Recreation	-	-	19,568	-	-	19,568
Health and welfare	-	-	-	-	469,559	469,559
Housing and development	-	-	1,030,234	235,192	-	1,265,426
Debt service:						
Principal	-	-	-	-	-	-
Interest	12,316	-	-	-	-	12,316
Intergovernmental	-	-	934,788	696,707	-	1,631,495
Total expenditures	13,480,068	7,302,582	3,146,047	1,007,389	1,225,210	26,161,296
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,387,704	(17,526)	(1,025,960)	1,740,078	(82,476)	5,001,820
OTHER FINANCING SOURCES (USES)						
Transfers in	111	933,214	425,527	-	10,000	1,368,852
Transfers out	(2,794,364)	-	-	-	(111)	(2,794,475)
Total other financing sources (uses)	(2,794,253)	933,214	425,527	-	9,889	(1,425,623)
NET CHANGE IN FUND BALANCES	1,593,451	915,688	(600,433)	1,740,078	(72,587)	3,576,197
FUND BALANCES, OCTOBER 1, 2011, AS RESTATED	4,482,132	(2,203,459)	3,983,867	-	233,867	6,496,407
FUND BALANCES, SEPTEMBER 30, 2012	$ 6,075,583	$ (1,287,771)	$ 3,383,434	$ 1,740,078	$ 161,280	$ 10,072,604

See accompanying notes to the basic financial statements

BURKE COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Amounts reported for governmental activities in the statement of activities are different because:			
Net Change In Fund Balances - Total Governmental Funds			$ 3,576,197
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlays exceeded depreciation expense in the current period.			
	Depreciation expense	$ (2,640,631)	
	Capital outlay	2,042,963	(597,668)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			
	Property taxes:		
	Unavailable revenue @ 9/30/12	32,711	
	Unavailable revenue @ 9/30/11	(213,102)	(180,391)
Elimination of transfers between governmental funds:			
	Transfers in	1,368,852	
	Transfers out	(1,368,852)	-
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.			(514,226)
Change In Net Assets of Governmental Activities			$ 2,283,912

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 10,788,130	10,788,130	$ 11,750,904	$ 962,774
Local option sales	3,900,000	3,900,000	3,321,307	(578,693)
Alcoholic beverage	65,000	65,000	66,353	1,353
Insurance premium	700,000	700,000	699,529	(471)
Other	165,000	165,000	153,349	(11,651)
Licenses and permits	108,300	108,300	69,630	(38,670)
Charges for services	994,200	994,200	1,110,176	115,976
Fees, Fines and forfeitures	485,000	485,000	351,742	(133,258)
Intergovernmental	206,300	206,300	268,603	62,303
Interest	10,000	10,000	5,629	(4,371)
Other	50,600	66,407	70,550	4,143
Total revenues	17,472,530	17,488,337	17,867,772	379,435
EXPENDITURES				
Current:				
General government:				
Legislative	62,387	62,387	60,725	1,662
General administration	457,475	457,475	310,529	146,946
Elections	230,359	230,359	219,141	11,218
Board of equalization	9,920	9,920	4,066	5,854
Legal services	100,000	100,000	132,466	(32,466)
Data processing	35,000	35,000	27,016	7,984
Tax commissioner	385,196	385,196	383,534	1,662
Tax assessor	280,053	280,053	273,178	6,875
Risk management	340,000	340,000	343,040	(3,040)
Audit fees	34,000	34,000	34,000	-
Records management	40,972	40,972	50,021	(9,049)
CSRA Regional Commission	18,700	18,700	18,120	580
Total general government	1,994,062	1,994,062	1,855,836	138,226
Judicial:				
Clerk of Courts	437,418	453,225	425,051	28,174
Superior Court	462,309	462,309	347,662	114,647
State Court	165,636	165,636	163,266	2,370
State Court - Judge	39,600	39,600	47,969	(8,369)
State Court - Community Service	23,867	23,867	23,338	529
Juvenile Court	98,740	98,740	93,799	4,941
District Attorney	170,000	170,000	210,731	(40,731)
Indigent defense	30,000	30,000	30,225	(225)
Magistrate Court	327,128	327,128	291,252	35,876
Probate Court	136,711	136,711	128,560	8,151
Total judicial	1,891,409	1,907,216	1,761,853	145,363
Public safety:				
Animal control	5,000	5,000	5,000	-
Coroner	49,032	49,032	31,717	17,315
Jail	2,187,776	2,187,776	1,920,052	267,724
Sheriff	2,502,180	2,502,180	2,264,279	237,901
Total public safety	4,743,988	4,743,988	4,221,048	522,940

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Highways and streets	$ 3,834,173	$ 3,834,173	$ 3,321,175	$ 512,998
Health and welfare:				
Health department	207,300	207,300	221,475	(14,175)
Welfare	4,000	4,000	-	4,000
Senior citizens	276,000	276,000	316,629	(40,629)
Total health and welfare	487,300	487,300	538,104	(50,804)
Culture and recreation:				
Recreation	882,494	882,494	859,098	23,396
Museum	9,200	9,200	5,376	3,824
Library	349,777	349,777	333,528	16,249
Total health and welfare	1,241,471	1,241,471	1,198,002	43,469
Housing and development:				
Burke Office Park	124,000	124,000	128,494	(4,494)
County agent	114,730	114,730	118,340	(3,610)
Soil conservation	28,127	28,127	27,700	427
Georgia Forestry Commission	34,000	34,000	33,908	92
Planning commission	260,518	260,518	229,170	31,348
Chamber of commerce	18,000	18,000	18,000	-
Airport	15,200	15,200	16,122	(922)
Total housing and development	594,575	594,575	571,734	22,841
Debt service:				
Principal	-	-	-	-
Interest	24,000	24,000	12,316	11,684
Total debt service	24,000	24,000	12,316	11,684
Total expenditures	14,810,978	14,826,785	13,480,068	1,346,717
EXCESS OF REVENUES OVER EXPENDITURES	2,661,552	2,661,552	4,387,704	1,726,152
OTHER FINANCING SOURCES (USES)				
Transfers in	600	600	111	(489)
Transfers out	(2,672,152)	(2,672,152)	(2,794,364)	(122,212)
Proceeds from sale of assets	10,000	10,000	-	(10,000)
Total other financing sources (uses)	(2,661,552)	(2,661,552)	(2,794,253)	(132,701)
NET CHANGE IN FUND BALANCE	$ -	$ -	1,593,451	$ 1,593,451
FUND BALANCE, BEGINNING OF YEAR			4,482,132	
FUND BALANCE, END OF YEAR			$ 6,075,583	

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
FIRE PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 5,583,405	$ 5,583,405	$ 6,122,330	$ 538,925
Charges for services	1,029,400	1,029,400	1,125,868	96,468
Intergovernmental	13,600	13,600	35,624	22,024
Other	1,000	1,000	1,234	234
Total revenues	6,627,405	6,627,405	7,285,056	657,651
EXPENDITURES				
Current:				
Public safety	7,560,619	7,560,619	7,302,582	258,037
Total public safety	7,560,619	7,560,619	7,302,582	258,037
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(933,214)	(933,214)	(17,526)	915,688
OTHER FINANCING SOURCES				
Transfers in	933,214	933,214	933,214	-
NET CHANGE IN FUND BALANCE	$ -	$ -	915,688	$ 915,688
FUND BALANCE, BEGINNING OF YEAR			(2,203,459)	
FUND BALANCE, END OF YEAR			$ (1,287,771)	

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
ASSETS				
Current Assets				
Accounts receivable	$ 87,524	-	$ 87,524	-
Intergovernmental	-	$ 42,975	42,975	-
Due from other funds	45,995	-	45,995	$ 127,480
Total Current Assets	133,519	42,975	176,494	127,480
Noncurrent Assets				
Capital Assets				
Land	1,037,752	-	1,037,752	-
Buildings and improvements	189,693	-	189,693	-
Machinery and equipment	1,013,131	279,313	1,292,444	-
Less accumulated depreciation	(489,527)	(108,797)	(598,324)	-
Total Capital Assets	1,751,049	170,516	1,921,565	-
Total Assets	1,884,568	213,491	2,098,059	127,480
LIABILITIES				
Current Liabilities				
Accounts payable	75,727	4	75,731	111,294
Accrued payroll	5,912	3,886	9,798	16,186
Compensated absences payable	1,042	710	1,752	-
Due to other funds	-	202,497	202,497	-
Total Current Liabilities	82,681	207,097	289,778	127,480
Long-Term Liabilities				
Compensated absences payable (net of current portion)	9,381	6,394	15,775	-
Accrued landfill closure and postclosure care costs	1,792,506	-	1,792,506	-
Total Long-term Liabilities	1,801,887	6,394	1,808,281	-
Total Liabilities	1,884,568	213,491	2,098,059	127,480
NET POSITION				
Net investment in capital assets	1,751,049	170,516	1,921,565	-
Unrestricted	(1,751,049)	(170,516)	(1,921,565)	-
Total Net Position	$ -	$ -	$ -	$ -

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	$ 362,080	$ 128,951	$ 491,031	$ 2,863,939
OPERATING EXPENSES				
Salaries	275,532	165,289	440,821	625,519
Employee benefits	98,473	51,832	150,305	231,114
Purchased services	1,037,719	48,890	1,086,609	272,928
Materials and supplies	115,337	65,340	180,677	1,734,378
Depreciation	100,137	39,902	140,039	-
Total operating expenses	1,627,198	371,253	1,998,451	2,863,939
OPERATING INCOME (LOSS)	(1,265,118)	(242,302)	(1,507,420)	-
NON-OPERATING REVENUES				
Intergovernmental	-	81,797	81,797	-
LOSS BEFORE TRANSFERS	(1,265,118)	(160,505)	(1,425,623)	-
TRANSFERS IN	1,265,118	160,505	1,425,623	-
CHANGE IN NET POSITION	-	-	-	-
NET POSITION, OCTOBER 1, 2011	-	-	-	-
NET POSITION, SEPTEMBER 30, 2012	$ -	$ -	$ -	$ -

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 320,724	$ 149,349	$ 470,073	-
Cash received from interfund charges	-	-	-	$ 2,818,298
Cash payments to employees for salaries and benefits	(372,913)	(214,773)	(587,686)	(851,003)
Cash payments for goods and services	(1,110,557)	(114,473)	(1,225,030)	(1,967,295)
Net cash used by operating activities	(1,162,746)	(179,897)	(1,342,643)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants	-	38,822	38,822	-
Advances from (to) other funds	131,954	(19,430)	112,524	-
Transfers in	1,265,118	160,505	1,425,623	-
Net cash provided (used) by noncapital financing activities	1,397,072	179,897	1,576,969	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(234,426)	-	(234,426)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(100)	-	(100)	-
CASH AND CASH EQUIVALENTS, OCTOBER 1, 2011	100	-	100	-
CASH AND CASH EQUIVALENTS, SEPTEMBER 30, 2012	$ -	$ -	$ -	$ -
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating loss	$ (1,265,118)	$ (242,302)	$ (1,507,420)	$ -
Adjustments:				
Depreciation	100,137	39,902	140,039	-
(Increase) decrease in operating assets:				
Accounts receivable	(41,356)	20,398	(20,958)	-
Interfund receivables	-	-	-	(45,641)
Increase (decrease) in operating liabilities:				
Accounts payable	5,631	(243)	5,388	40,011
Accrued closure and post closure cost	36,868	-	36,868	-
Accrued payroll	1,672	1,138	2,810	5,630
Compensated absences payable	(580)	1,210	630	-
Net cash used by operating activities	$ (1,162,746)	$ (179,897)	$ (1,342,643)	$ -

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2012

ASSETS		
Cash	$	462,516
LIABILITIES		
Due to other entities and individuals	$	462,516

See accompanying notes to the basic 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 accompanying summary of the County's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report.

Basis of accounting

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

When both restricted and unassigned resources are available for use, it is the County's policy to use restricted resources first, then unassigned 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 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 (SPLOST) II and III Funds – These capital projects funds were established to account for expenditures on capital improvements made by the County and financed through revenues from a special purpose local option sales tax.

The County reports the following major enterprise funds:

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

Additionally, the County reports the following fund types:

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

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

Component Units

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

Those discretely presented component units are:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Burke County Health Department – This component unit column in the government-wide financial statements includes the financial data of the Burke County Health Department. It is reported in a separate column to emphasize that it is legally separate from the County. Governed by a voting majority of board members appointed by the County, this entity receives funding from Burke County. The Health Department has a June 30 year end, and the financial statements included herein are as of and for the year ended June 30, 2012. 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 a blended component unit:

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

Budgets and Budgetary Accounting

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

1. Prior to September 30, the County administrator submits to the County Board of Commissioners a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.

2. A public hearing is conducted by the County to obtain taxpayer comments.

3. The budget is legally enacted by resolution of the County Board of Commissioners.

4. The County administrator is authorized to transfer line item amounts within operating departments.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Project length budgets are adopted for Capital Project Funds.

6. Budgets for the governmental funds are adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

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

Encumbrances

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2012.

Investments

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

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

Receivables

All receivables are reported at their net realizable value.

Inventories

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

Prepaid Items

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

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than $5,000 and an estimated useful

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

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

Compensated Absences

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

Interfund Transactions

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

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

Long-Term Obligations

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows of resources as of September 30, 2012.

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

Fund Equity

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

as such, the nature of actions necessary to remove or modify an assignment does not require the County's highest level of authority.

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

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, 2012, the County had the following investments:

Investments	Maturities	Fair Value	Credit Rating
Primary Government:			
Georgia Fund 1	Average of 58 days WAM	$ 3,540,434	AAAm
Discretely Presented Component Unit - Development Authority of Burke County:			
Certificates of Deposit	-	$ 500,000	-

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 2 – DEPOSITS AND INVESTMENTS – Continued

At September 30, 2012, the carrying amount of the County's deposits (checking and certificates of deposit) was $6,146,060 and the bank balance was $5,967,915. Of the bank balance, $1,148,546 was covered by federal depository insurance and $4,819,369 was collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Discretely Presented Component Units

The carrying amount and bank balance of deposits for the Development Authority of Burke County was $717,980, of which $250,000 was covered by federal depository insurance and $467,980 was collateralized by securities held by the pledging financial institution's trust department or agent in the Authority's name.

At June 30, 2012, the carrying amount of the Burke County Health Department's bank deposits was $521,979 and the bank balance was $541,102. Of the bank balance, $410,000 was covered by federal depository insurance and $131,102 was collateralized by securities held by the pledging financial institution's trust department or agent in the Health Department's name.

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.

Current year property taxes were levied on December 30, 2011, and due February 20, 2012. A summary of the current year property tax levy is as follows:

	General Fund	Fire Protection Fund
Millage rates		
Unincorporated	6.264	3.562
Incorporated	6.665	3.562
Property tax levy	$ 11,618,214	$ 6,140,962
Property taxes receivable at September 30, 2012	$ 118,197	$ 48,935
Allowance for uncollectible accounts	(69,467)	(28,664)
Net property taxes receivable at September 30, 2012	$ 48,730	$ 20,271
Unavailable property tax revenue at September 30 ,2012	$ 23,156	$ 9,555

NOTE 4 – PUBLIC UTILITIES TAX

Public Utility taxes accounted for approximately 70% of the current year tax digest.

NOTE 5 – CAPITAL ASSETS

Governmental capital asset activity for the year ended September 30, 2012, was as follows:

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 1,286,011	-	-	$ 1,286,011
Construction in progress	106,507	$ 132,657	$ 22,890	216,274
Total capital assets not being depreciated	1,392,518	132,657	22,890	1,502,285
Capital assets being depreciated:				
Infrastructure	33,836,257	934,498	-	34,770,755
Buildings and improvements	18,376,310	499,449	-	18,875,759
Furniture, fixtures, and equipment	13,236,304	499,249	62,362	13,673,191
Total capital assets being depreciated	65,448,871	1,933,196	62,362	67,319,705
Total capital assets	66,841,389	2,065,853	85,252	68,821,990
Accumulated depreciation:				
Infrastructure	18,326,187	1,380,894	-	19,707,081
Buildings and improvements	7,732,605	466,580	-	8,199,185
Furniture, fixtures, and equipment	11,113,403	793,157	62,362	11,844,198
Total accumulated depreciation	37,172,195	2,640,631	62,362	39,750,464
Governmental activities capital assets, net	$ 29,669,194	$ (574,778)	$ 22,890	$ 29,071,526

Depreciation expense was charged to functions as follows:

General government	$ 283,449
Public safety	599,570
Culture and recreation	145,626
Health and welfare	19,346
Highways and streets	1,592,640
Total governmental activities depreciation expense	$ 2,640,631

NOTE 5 – CAPITAL ASSETS – Continued

Business-type capital asset activity for the year ended September 30, 2012 was as follows:

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 1,037,752	-	-	$ 1,037,752
Capital assets being depreciated:				
Buildings	97,410	-	-	97,410
Improvements other than buildings	85,587	$ 6,696	-	92,283
Machinery and equipment	1,064,714	227,730	-	1,292,444
Total capital assets being depreciated	1,247,711	234,426	-	1,482,137
Total capital assets	2,285,463	234,426	-	2,519,889
Accumulated depreciation:				
Buildings	14,501	2,435	-	16,936
Improvements other than buildings	58,583	8,581	-	67,164
Machinery and equipment	385,201	129,023	-	514,224
Total accumulated depreciation	458,285	140,039	-	598,324
Business-type activities capital assets, net	$ 1,827,178	$ 94,387	$ -	$ 1,921,565

Depreciation expense was charged as follows:

Solid Waste Fund	$ 100,137
Transit Fund	39,902
Total business-type activities depreciation expense	$ 140,039

NOTE 5 – CAPITAL ASSETS – Continued

Capital asset activity for the Development Authority component unit for the year ended September 30, 2012 was as follows:

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
Capital assets not being depreciated:				
Land	$ 21,852	-	-	$ 21,852
Land held for sale	2,049,301	$ 2,528,454	-	4,577,755
Total capital assets not being depreciated	2,071,153	2,528,454	-	4,599,607
Capital assets being depreciated:				
Buildings	105,484	-	-	105,484
Machinery and equipment	21,639	-	-	21,639
Total capital assets being depreciated	127,123	-	-	127,123
Accumulated depreciation:				
Buildings	23,075	2,637	-	25,712
Machinery and equipment	14,168	3,092	-	17,260
Total accumulated depreciation	37,243	5,729	-	42,972
Development Authority capital assets, net	$ 2,161,033	$ 2,522,725	$ -	$ 4,683,758

Capital asset activity for the Health Department component unit for the year ended June 30, 2012 was as follows:

	Balance 7/1/2011	Additions	Deductions	Balance 6/30/2012
Capital assets being depreciated:				
Machinery and equipmnt	$ 163,404	$ 5,670	$ -	$ 169,074
Accumulated depreciation:				
Machinery and equipment	152,996	3,152	-	156,148
Health Department capital assets, net	$ 10,408	$ 2,518	$ -	$ 12,926

NOTE 6 – LONG-TERM DEBT

The following is a summary of long-term debt activity for governmental activities and business type activities for the year ended September 30, 2012:

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Amounts Due In One Year
Governmental Activities:					
Compensated absences payable	$ 436,877	$ 523,206	$ 484,575	$ 475,508	$ 47,551
Net pension obligation	1,120,201	1,236,215	760,620	1,595,796	159,580
Total Governmental Activities	$1,557,078	$1,759,421	$1,245,195	$ 2,071,304	$207,131

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Amounts Due In One Year
Business-Type Activities:					
Compensated absences payable	$ 16,897	$ 17,038	$ 16,408	$ 17,527	$ 1,752
Accrued landfill closure and postclosure care costs	1,755,638	36,868	-	1,792,506	-
Total Business-Type Activities	$1,772,535	$ 53,906	$ 16,408	$ 1,810,033	$ 1,752

The County issued tax anticipation notes on November 1, 2011 in the amount of $2,500,000 at 1.394% and on January 3, 2012 in the amount of $5,000,000 at 1.534%. 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, 2012.

The following is a summary of short-term borrowings for governmental activities during the year ended September 30, 2012:

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012
Tax anticipation notes	$ -	$7,500,000	$7,500,000	$ -

NOTE 6 – LONG-TERM DEBT – Continued

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

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Amounts Due In One Year
Health Department:					
Compensated absences payable	$ 33,337	24,099	25,867	$ 31,569	$ -

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Amounts Due In One Year
Development Authority:					
Compensated absences payable	$ 9,006	3,108	4,361	$ 7,753	$ 775

NOTE 7 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

Excess expenditures over appropriations for the year ended September 30, 2012 were as follows:

	Overexpenditures
General Fund:	
Legal services	$ 32,466
Risk management	3,040
Records management	9,049
State court - Judge	8,369
District Attorney	40,731
Indigent defense	225
Health department	14,175
Senior citizens	40,629
Burke Office Park	4,494
County agent	3,610
Airport	922
Sheriff's Confiscated Assets Fund	2,365
Inmate Commissary Fund	85,038
Sheriff's Commissions Fund	30,671

The County funded expenditures in excess of appropriations through underexpenditures in other departments and through accumulated fund balances.

NOTE 8 – INTERFUND RECEIVABLES, INTERFUND PAYABLES AND TRANSFERS

A summary of interfund receivables and payables as of September 30, 2012, follows. Interfund receivables and payables accounts for loans between funds for cash management purposes. All amounts are expected to be paid within one year.

Receivable Fund	Payable Fund	Amount
General	Emergency telephone system	$ 27,061
	Large grants	89,105
	Small grants	7,891
	Fire protection	1,228,939
	SPLOST III	36,664
	Transit	202,497
Solid waste	General	45,995
Vehicle maintenance	General	74,065
Facility Maintenance	General	53,415
Total		$ 1,765,632

A summary of transfers for the year ended September 30, 2012 is as follows:

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

	Transfers From:		
Transfers To:	General Fund	Non-major Governmental Funds	Total
General Fund		$ 111	$ 111
Large Grants Fund	$ 10,000	-	10,000
Fire Fund	933,214	-	933,214
Solid Waste Fund	1,265,118	-	1,265,118
Transit Fund	160,505	-	160,505
SPLOST II	425,527	-	425,527
Total	$ 2,794,364	$ 111	$ 2,794,475

NOTE 9 – FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2012, governmental fund balances are composed of the following:

	General Fund	Fire Protection	SPLOST II	SPLOST III	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	$ 118,293	-	-	-	-	$ 118,293
Inventories	512,506	-	-	-	-	512,506
Total nonspendable	630,799	-	-	-	-	630,799
Restricted:						
Capital projects	-	-	$ 3,383,434	$ 1,740,078	-	5,123,512
Sheriff	-	-	-	-	$ 18,238	18,238
Law library	-	-	-	-	8,839	8,839
Drug enforcement	-	-	-	-	258	258
Public library	-	-	-	-	15,239	15,239
Drug education	-	-	-	-	2,218	2,218
Jail	-	-	-	-	59,568	59,568
Emergency telephone system	-	-	-	-	46,680	46,680
Victims assistance	-	-	-	-	5,632	5,632
Juvenile services	-	-	-	-	4,608	4,608
Total restricted	-	-	3,383,434	1,740,078	161,280	5,284,792
Unassigned	5,444,784	$ (1,287,771)	-	-	-	4,157,013
Total fund balances	$ 6,075,583	$ (1,287,771)	$ 3,383,434	$ 1,740,078	$ 161,280	$ 10,072,604

NOTE 10 – 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.

NOTE 10 – RETIREMENT PLAN – Continued

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, 2012 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees and beneficiaries	41
Deferred vested (former employees)	115
Disabled in pay status	8
Active participants	290
Total plan participants	454
Covered Compensation	$ 11,116,401

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.

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.

NOTE 10 – RETIREMENT PLAN – Continued

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 Vauation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a)/(b)	Unfunded AAL (UAAL) (b)-(a)	Annual Covered Payroll (prior year) (c)	UALL as a Percentage of Covered Payroll (b-a) /(c)
September 30, 2003	$ 5,572,860	$8,190,871	68.0%	$ 2,618,011	$6,928,416	37.8%
December 31, 2003	6,316,218	8,422,273	75.0%	2,106,055	6,928,416	30.4%
December 31, 2004	7,369,428	9,828,856	75.0%	2,459,428	7,486,796	32.9%
December 31, 2005	8,211,736	12,021,118	68.3%	3,809,382	8,502,260	44.8%
December 31, 2006	9,517,535	12,370,946	76.9%	2,853,411	8,547,413	33.4%
December 31, 2007	10,693,254	14,010,196	76.3%	3,316,942	9,464,263	35.0%
December 31, 2008	10,818,776	15,499,018	69.8%	4,680,242	10,019,734	46.7%
December 31, 2009	11,756,496	16,751,504	70.2%	4,995,008	10,462,668	47.7%
December 31, 2010	12,522,052	17,835,231	70.2%	5,313,179	10,834,344	49.0%
December 31, 2011	13,086,611	18,543,859	70.6%	5,457,248	10,835,612	50.4%

NOTE 10 – RETIREMENT PLAN – Continued

The following schedule shows actuarial present value of accumulated plan benefits as of January 1, 2012 the most recent actuarial report available:

Vested:	
Retirees	$ 3,544,033
Deferred vested (former employees)	2,067,897
Vested active participants	10,195,553
Total	$15,807,483
Nonvested	1,033,314
Total	$16,840,797
Effect of future salary increases	1,553,562
Total actuarial accrued liability	$18,394,359
Net assets available for benefits (including receivables)	12,536,477
Net assets in excess of actuarial present value of accumulated plan benefits	(4,304,320)
Principal Actuarial Assumptions	
Investment return	7.75%
Rate of future salary increases (not applicable to accumulated plan benefit calculations)	3.0%-5.5%

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

Year Ended	Annual Required Contribution	Percentage Contributed
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	90.9%
December 31, 2007	996,448	85.4%
December 31, 2008	1,076,132	84.4%
December 31, 2009	1,185,666	69.5%
December 31, 2010	1,242,023	87.3%
December 31, 2011	1,242,290	61.2%

NOTE 10 – RETIREMENT PLAN – Continued

The County's annual pension cost and net pension obligation for the pension plan for the current year were determined as follows:

Annual required contribution	$1,242,290
Interest on net pension obligation	86,816
Amortization of net pension obligation	(92,891)
Annual pension cost	1,236,215
Contributions made	(760,620)
Increase in net pension obligation	475,595
Net pension obligation, beginning of year	1,120,201
Net pension obligation, end of year	$1,595,796

Trend information for the plan is as follows:

Fiscal Year Beginning January 1	Annual Pension Cost	Actual County Contribution	Percentage Contributed	Net Pension Obligation
2009	$ 1,182,362	$ 824,419	70%	$ 609,250
2010	1,236,777	1,083,769	88%	967,193
2011	1,236,215	760,620	62%	1,120,201
2012	1,244,456	N/A	N/A	1,595,796

The Plan information presented was determined as part of the actuarial valuation as of January 1, 2012. The following summarizes the actuarial methods and assumptions used in that valuation:

Current Valuation Date	January 1, 2012
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	3.0% - 5.5% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (closed)

NOTE 11 – ACCRUED LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and Federal laws and regulations require that the County perform certain maintenance and monitoring functions at its landfill site for thirty years after closure. In 1999, the landfill was closed for household garbage. However, the landfill still accepts garbage from construction and debris. In addition to operating expenditures related to current activities of the landfill, a liability is being recognized based on the future closure and postclosure care costs that will be incurred. The estimated liability for landfill postclosure care costs, which is recorded in the Solid Waste Enterprise Fund, has a balance of $1,792,506 as of September 30, 2012. The estimated total current cost of the landfill closure and postclosure care is based on the amount that

NOTE 11 – ACCRUED LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS – Continued

would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were incurred as of September 30, 2012. However, the actual cost of postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 12 – 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, 2012, the County paid $15,682 in such dues, which was based on a per capita amount of $.55. The CSRA RC Board membership is composed of one County official, one city official, and one private sector individual from each county. O.C.G.A. §58-8-39.1 provides that the County is liable for any debts or obligations of the CSRA RC. The Comprehensive Annual Financial Report of the CSRA RC may be obtained from:

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

NOTE 13 – HOTEL/MOTEL LODGING TAX

The County has levied a 5% lodging tax. A summary of the transactions for the year ended September 30, 2012, follows:

Lodging tax receipts	$	111
Disbursements to the County for promotion of tourism		(111)
Total	$	-

NOTE 14 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County maintains commercial insurance coverage covering those risks of loss. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. As of September 30, 2012, the County had recorded no liability for claims. The County is covered by commercial insurance.

NOTE 14 – RISK MANAGEMENT – Continued

The County has joined together with other governments in the state as part of the ACCG Group Self-Insurance Workers Compensation Fund (ACCG-GSIWCF), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agent and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss.

The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

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

Changes in the balances of worker's compensation claims through September 30, 2012, are as follows:

Unpaid claims, October 1, 2011	$440,915
Incurred claims	228,459
Claim payments	(152,917)
Adjustments	137,947
Unpaid claims, September 30, 2012	$654,404

NOTE 15 – COMMITMENTS AND CONTINGENCIES

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

NOTE 16 – CONTINGENT LIABILITY FOR BURKE COUNTY HOSPITAL AUTHORITY

The County has guaranteed a loan in the amount of $2,000,000 made to the Hospital Authority of Burke County. The County has agreed to guarantee up to $3,500,000 in debt for the operations of the Hospital. Furthermore, the Board of Commissioners have voted to further support the hospital in the form of loan guarantees or payments for indigent medical costs as requested by Community Hospital Corporation, the new lessee and management partner for the Hospital until such a time that the Hospital can be self-supporting under the direction of their new strategic plan.

NOTE 17 – DEFICIT IN FUND EQUITY

The Fire Protection Fund had a deficit fund balance of $1,287,771 as of September 30, 2012. The deficit will be funded through future operations and transfers from the General Fund, as needed.

NOTE 18 – PRIOR PERIOD ADJUSTMENTS

The following prior period adjustments have been made to the fund balances of governmental funds in the fund level financial statements for funds not previously reported in the financial statements:

	Sheriff's Confiscated Assets	Sheriff's Commissions Fund	Total
Fund balance, September 30, 2011, as previously reported	-	-	-
Restatement for fund not previously included in financial statements	$ 6,852	$ 29,109	$ 35,961
Fund balance, October 1, 2011, as restated	$ 6,852	$ 29,109	$ 35,961

In addition to the adjustments above an adjustment in the amount of $1,120,202 was required to decrease the net position for governmental activities at September 30, 2011 for the previous year's net pension obligation that was not recorded, resulting in a net decrease in beginning net position for governmental activities of $1,084,241 from $35,905,866 to $34,821,625.

NOTE 19 – SUBSEQUENT EVENTS

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through March 18, 2013, the date the financial statements were available to be issued.

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.

Large Grants Fund - This fund is used to account for larger grant revenues.

Hotel-Motel Taxes 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.

Sheriff's Confiscated Assets Fund – This fund holds funds from federal confiscated assets that are to be used for capital and special expenditures for the Sheriff's department.

Inmate Commissary Fund – The fund is used to account for revenues and expenditures associated with the inmate commissary.

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

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

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2012

	Law Library Fund	Drug Enforcement Fund	Drug Treatment & Education Fund	Public Library Fund	Small Grants Fund	Large Grants Fund	Hotel/ Motel Taxes Fund	Emergency Telephone System Fund	Jail Surcharge Fund
ASSETS									
Cash	$ 8,839	$ 258	$ 2,218	$ 15,239	-	$ 1,000	-	$ 3,128	$ 59,568
Accounts receivable	-	-	-	-	-	-	-	80,135	-
Intergovernmental receivable	-	-	-	-	$ 13,475	133,681	-	-	-
TOTAL ASSETS	$ 8,839	$ 258	$ 2,218	$ 15,239	$ 13,475	$ 134,681	-	$ 83,263	$ 59,568
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable	-	-	-	-	$ 3,557	$ 45,576	-	$ 4,203	-
Accrued payroll	-	-	-	-	-	-	-	5,319	-
Unearned revenue	-	-	-	-	2,027	-	-	-	-
Due to other funds	-	-	-	-	7,891	89,105	-	27,061	-
Total liabilities	-	-	-	-	13,475	134,681	-	36,583	-
Fund balance:									
Restricted	$ 8,839	$ 258	$ 2,218	$ 15,239	-	-	-	46,680	$ 59,568
Total fund balance	8,839	258	2,218	15,239	-	-	-	46,680	59,568
TOTAL LIABILITIES AND FUND BALANCE	$ 8,839	$ 258	$ 2,218	$ 15,239	$ 13,475	$ 134,681	-	$ 83,263	$ 59,568

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2012

	Victims Assistance Fund	Sheriff's Confiscated Assets Fund	Inmate Commissary Fund	Supplemental Juvenile Services Fund	Sheriff's Commissions Fund	Total Nonmajor Special Revenue Funds
ASSETS						
Cash	$ 5,310	$ 4,487	$ 5,345	$ 4,608	$ 13,751	$ 123,751
Accounts receivable	-	-	9,455	-	-	89,590
Intergovernmental receivable	322	-	-	-	-	147,478
TOTAL ASSETS	$ 5,632	$ 4,487	$ 14,800	$ 4,608	$ 13,751	$ 360,819
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	-	-	$ 14,800	-	-	$ 68,136
Accrued payroll	-	-	-	-	-	5,319
Unearned revenue	-	-	-	-	-	2,027
Due to other funds	-	-	-	-	-	124,057
Total liabilities	-	-	14,800	-	-	199,539
Fund balance:						
Restricted	$ 5,632	$ 4,487	-	$ 4,608	$ 13,751	161,280
Total fund balance	5,632	4,487	-	4,608	13,751	161,280
TOTAL LIABILITIES AND FUND BALANCE	$ 5,632	$ 4,487	$ 14,800	$ 4,608	$ 13,751	$ 360,819

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Law Library Fund	Drug Enforcement Fund	Drug Treatment & Education Fund	Public Library Fund	Small Grants Fund	Large Grants Fund	Hotel Motel Taxes Fund	Emergency Telephone System Fund	Jail Surcharge Fund
REVENUES									
Taxes	-	-	-	-	-	-	$ 111	-	-
Charges for services	-	-	-	$ 5,697	-	-	-	$ 363,771	-
Fees, fines and forfeitures	$ 7,525	$ 1,060	$ 6,069	12,625	-	-	-	-	$ 25,673
Intergovernmental	-	-	-	85,800	$ 42,233	$ 459,559	-	-	-
Contributions and donations	-	-	-	300	3,149	-	-	-	-
Interest	-	2	1	21	-	-	-	171	22
Other	-	-	-	426	-	-	-	-	-
Total revenues	7,525	1,062	6,070	104,869	45,382	459,559	111	363,942	25,695
EXPENDITURES									
Current:									
Judicial	13,630	-	-	-	-	-	-	-	-
Public safety	-	7,169	6,784	-	34,700	-	-	435,685	-
Culture and recreation	-	-	-	106,112	-	-		-	-
Health and welfare					3,149				-
Housing and development	-	-	-	-	643	-	-	-	-
Capital outlay:									
Health and welfare	-	-	-	-	-	469,559	-	-	-
Public safety	-	-	-	-	6,890	-	-	-	-
Total expenditures	13,630	7,169	6,784	106,112	45,382	469,559	-	435,685	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,105)	(6,107)	(714)	(1,243)	-	(10,000)	111	(71,743)	25,695
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	10,000	-	-	-
Transfers out	-	-	-	-	-	-	(111)	-	-
Total other financing sources (uses)	-	-	-	-	-	10,000	(111)	-	-
NET CHANGE IN FUND BALANCES	(6,105)	(6,107)	(714)	(1,243)	-	-	-	(71,743)	25,695
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	14,944	6,365	2,932	16,482	-	-	-	118,423	33,873
FUND BALANCES, END OF YEAR	$ 8,839	$ 258	$ 2,218	$ 15,239	$ -	$ -	$ -	$ 46,680	$ 59,568

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Victims Assistance Fund	Sheriff's Confiscated Assets Fund	Inmate Commissary Fund	Supplemental Juvenile Services Fund	Sheriff's Commissions Fund	Total Nonmajor Special Revenue Funds
REVENUES						
Taxes	-	-	-	-	-	$ 111
Charges for services	-	-	-	-	-	369,468
Fees, fines and forfeitures	$ 23,541	-	-	$ 4,622	-	81,115
Intergovernmental	-	-	-	-	-	587,592
Contributions and donations	-	-	-	-	-	3,449
Interest	3	-	-	2	-	222
Other	-	-	$ 85,038	-	$ 15,313	100,777
Total revenues	23,544	-	85,038	4,624	15,313	1,142,734
EXPENDITURES						
Current:						
Judicial	-	-		16	-	13,646
Public safety	-	$ 2,365	85,038	-	30,671	602,412
Culture and recreation	-	-		-	-	106,112
Health and welfare	22,799	-		-	-	25,948
Housing and development	-	-		-	-	643
Capital outlay:						
Health and welfare	-	-		-	-	469,559
Public safety	-	-		-	-	6,890
Total expenditures	22,799	2,365	85,038	16	30,671	1,225,210
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	745	(2,365)	-	4,608	(15,358)	(82,476)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	10,000
Transfers out	-	-	-	-	-	(111)
Total other financing sources (uses)	-	-	-	-	-	9,889
NET CHANGE IN FUND BALANCES	745	(2,365)	-	4,608	(15,358)	(72,587)
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	4,887	6,852	-	-	29,109	233,867
FUND BALANCES, END OF YEAR	$ 5,632	$ 4,487	$ -	$ 4,608	$ 13,751	$ 161,280

BURKE COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original and Final Budget	Actual	Varianee Positive (Negative)
REVENUES			
Fines, fees, and forfeitures	29,652	$ 7,525	$ (22,127)
EXPENDITURES			
Current:			
Judicial	29,652	13,630	16,022
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(6,105)	(6,105)
FUND BALANCES, BEGINNING OF YEAR	$ 14,944	14,944	-
FUND BALANCES, END OF YEAR	$ 14,944	$ 8,839	$ (6,105)

BURKE COUNTY, GEORGIA

DRUG ENFORCEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 7,000	$ 1,060	$ (5,940)
Interest	20	2	(18)
Total revenues	7,020	1,062	(5,958)
EXPENDITURES			
Current:			
Public safety	13,320	7,169	6,151
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(6,300)	(6,107)	193
FUND BALANCES, BEGINNING OF YEAR	6,365	6,365	-
FUND BALANCES, END OF YEAR	$ 65	$ 258	$ 193

BURKE COUNTY, GEORGIA

DRUG TREATMENT & EDUCATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 14,000	$ 6,069	$ (7,931)
Interest	60	1	(59)
Total revenues	14,060	6,070	(7,990)
EXPENDITURES			
Current:			
Public safety	14,315	6,784	7,531
Total expenditures	14,315	6,784	7,531
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(255)	(714)	(459)
FUND BALANCES, BEGINNING OF YEAR	2,932	2,932	-
FUND BALANCES, END OF YEAR	$ 2,677	$ 2,218	$ (459)

BURKE COUNTY, GEORGIA
PUBLIC LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	$ 85,700	$ 85,800	$ 100
Charges for services	6,500	5,697	(803)
Fines	13,150	12,625	(525)
Donations	2,500	300	(2,200)
Interest	100	21	(79)
Other	2,350	426	(1,924)
Total revenues	110,300	104,869	(5,431)
EXPENDITURES			
Current:			
Culture and recreation	110,300	106,112	4,188
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,243)	(1,243)
FUND BALANCES, BEGINNING OF YEAR	16,482	16,482	-
FUND BALANCES, END OF YEAR	$ 16,482	$ 15,239	$ (1,243)

BURKE COUNTY, GEORGIA
SMALL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	$ 72,784	$ 42,233	$ (30,551)
Donations	-	3,149	3,149
Total revenues	72,784	45,382	(27,402)
EXPENDITURES			
Current:			
Public safety	72,784	34,700	38,084
Health and welfare	-	3,149	(3,149)
Housing and development	-	643	(643)
Capital Outlay:			
Public safety	-	6,890	(6,890)
Total expenditures	72,784	45,382	27,402
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	-	-	-

BURKE COUNTY, GEORGIA
LARGE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 477,110	$ 400,000	$ 459,559	$ 59,559
EXPENDITURES				
Capital outlay:				
Health and welfare	477,110	475,000	469,559	5,441
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(75,000)	(10,000)	65,000
OTHER FINANCING SOURCES				
Transfers in	75,000	75,000	10,000	(65,000)
NET CHANGE IN FUND BALANCES	75,000	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	$ 75,000	$ -	$ -	$ -

BURKE COUNTY, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	$ 600	$ 111	$ (489)
EXPENDITURES			
Current:			
Housing and development	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	600	111	(489)
OTHER FINANCING USES			
Transfers out	(600)	(111)	489
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ -

BURKE COUNTY, GEORGIA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	$ 460,000	$ 363,771	$ (96,229)
Interest	500	171	(329)
Total revenues	460,500	363,942	(96,558)
EXPENDITURES			
Current:			
Public safety	660,500	435,685	224,815
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(200,000)	(71,743)	128,257
FUND BALANCES, BEGINNING OF YEAR,	118,423	118,423	-
FUND BALANCES, END OF YEAR	(81,577)	46,680	128,257

BURKE COUNTY, GEORGIA
JAIL SURCHARGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	$ 35,000	$ 25,673	$ (9,327)
Interest	50	22	(28)
Total revenues	35,050	25,695	(9,355)
EXPENDITURES			
Current:			
Public safety	65,250	-	65,250
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(30,200)	25,695	55,895
FUND BALANCES, BEGINNING OF YEAR	33,873	33,873	-
FUND BALANCES, END OF YEAR	$ 3,673	$ 59,568	$ 55,895

BURKE COUNTY, GEORGIA
VICTIMS ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 23,000	$ 23,541	$ 541
Interest	-	3	3
Total revenues	23,000	23,544	544
EXPENDITURES			
Current:			
Health and welfare	29,000	22,799	6,201
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,000)	745	5,657
FUND BALANCES, BEGINNING OF YEAR	4,887	4,887	-
FUND BALANCES, END OF YEAR	$ (1,113)	$ 5,632	$ 5,657

BURKE COUNTY, GEORGIA
SHERIFF'S CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	$ -	$ -	$ -
EXPENDITURES			
Current:			
Public safety	-	2,365	(2,365)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(2,365)	(2,365)
FUND BALANCES, BEGINNING OF YEAR	6,852	6,852	-
FUND BALANCES, END OF YEAR	$ 6,852	$ 4,487	$ (2,365)

BURKE COUNTY, GEORGIA
INMATE COMMISSARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Commissary sales	$ -	$ 85,038	85,038
EXPENDITURES			
Current:			
Public safety	-	85,038	(85,038)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ -

BURKE COUNTY, GEORGIA
SUPPLEMENTAL JUVENILE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 4,565	$ 4,622	$ 57
Interest	-	2	2
Total revenues	4,565	4,624	59
EXPENDITURES			
Current:			
Judicial	4,565	16	4,549
EXCESS OF REVENUES OVER EXPENDITURES	-	4,608	4,608
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	$ -	$ 4,608	$ 4,608

BURKE COUNTY, GEORGIA
SHERIFF'S COMMISSIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Vendor commissions	$ -	$ 15,313	$ 15,313
EXPENDITURES			
Current:			
Public safety	-	30,671	(30,671)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(15,358)	(15,358)
FUND BALANCES, BEGINNING OF YEAR	29,109	29,109	-
FUND BALANCES, END OF YEAR	$ 29,109	$ 13,751	$ (15,358)

INTERNAL SERVICE FUNDS

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

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

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

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2012

	Vehicle Maintenance	Facilities Maintenance	Total
ASSETS			
Current Assets:			
Interfund receivable	$ 74,065	$ 53,415	$ 127,480
LIABILITIES			
Current Liabilities:			
Accounts payable	62,652	48,642	111,294
Accrued payroll	11,413	4,773	16,186
Total Current Liabilities	74,065	53,415	127,480
NET POSITION			
Unrestricted	$ -	$ -	$ -

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Vehicle Maintenance	Facilities Maintenance	Total
OPERATING REVENUES			
Charges for services	$ 2,237,354	$ 626,585	$ 2,863,939
OPERATING EXPENSES			
Salaries	405,560	219,959	625,519
Employee benefits	154,611	76,503	231,114
Purchased services	70,896	202,032	272,928
Materials and supplies	1,606,287	128,091	1,734,378
TOTAL OPERATING EXPENSES	2,237,354	626,585	2,863,939
CHANGE IN NET POSITION	-	-	-
NET POSITION, BEGINNING OF YEAR	-	-	-
NET POSITION, END OF YEAR	$ -	$ -	$ -

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Vehicle Maintenance	Facilities Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund charges	$ 2,215,269	$ 603,029	$ 2,818,298
Cash payments to employees for salaries and benefits	(555,675)	(295,328)	(851,003)
Cash payments for goods and services	(1,659,594)	(307,701)	(1,967,295)
NET CASH PROVIDED BY OPERATING ACTIVITIES	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ -	$ -	$ -
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY 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	(22,085)	(23,556)	(45,641)
Accounts payable	17,589	22,422	40,011
Accrued payroll	4,496	1,134	5,630
Total cash provided by 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
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2012

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Total
ASSETS						
Cash	$ 373,084	$ -	$ 74,359	$ 126	$ 14,947	$ 462,516
LIABILITIES						
Due to other entities and individuals	$ 373,084	$ -	$ 74,359	$ 126	$ 14,947	$ 462,516

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SPLOST II Fund

Project	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
Burke County						
Recreation facility	1,000,000	1,000,000	710,729	19,568	730,297	73%
Industrial park	1,000,000	1,070,195	39,961	1,030,234	1,070,195	100%
Building construction and renovations	1,500,000	1,500,000	1,500,000	-	1,500,000	100%
Hospital projects	1,500,000	2,633,201	1,565,856	131,345	1,697,201	64%
Roads, streets, and bridges	5,257,673	8,318,975	5,401,032	735,930	6,136,962	74%
Waynesboro						
Water, sewer, and storm drainage system/building renovations	4,301,605	6,057,064	5,507,340	549,724	6,057,064	100%
Sardis						
Capital equipment/building renovation/ streets, drainage, and sidewalks	992,000	1,397,783	1,270,923	126,860	1,397,783	100%
Midville						
Building renovations/water and sewer improvements and equipment	496,339	698,893	635,463	63,430	698,893	100%
Keysville						
Water system improvements/building renovations	330,893	465,925	423,639	42,286	465,925	100%
Girard						
Building renovations/equipment shed/ holiday decorations/walking path	165,446	232,964	211,821	21,143	232,964	100%
	$ 16,543,956	$ 23,375,000	$ 17,266,764	2,720,520	$ 19,987,284	86%
			Roads, streets, and bridge costs funded by general fund	425,527		
			SPLOST II fund total expenditures	$ 3,146,047		

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SPLOST III Fund

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
Countywide projects					
Judicial center	$ 15,000,000	-	$ 6,276	$ 6,276	0%
Jail addition	2,000,000	-	-	-	0%
Burke County					
EOC/911 center	2,000,000	-	8,766	8,766	0%
Recreation improvements	1,000,000	-	-	-	0%
Industrial Park expansion	2,500,000	-	117,577	117,577	5%
Building construction and renovations	1,500,000	-	-	-	0%
Airport projects	200,000	-	2,941	2,941	1%
Roads and bridges projects and equipment	8,040,000	-	11,448	11,448	0%
Firetrucks	1,500,000	-	-	-	0%
Ambulances	600,000	-	-	-	0%
Patrol cars	500,000	-	49,000	49,000	10%
Water and sewer improvements	6,000,000	-	-	-	0%
Landfill building projects	340,000	-	-	-	0%
Waynesboro					
Water & sewer improvements, roads, streets, sidewalks, drainage improvements, buildings, patrol vehicles and utility equipment	10,140,000	-	476,695	476,695	5%
Sardis					
Water, sewer, and street improvements, recreation and beautification projects, capital equipment	2,340,000	-	110,006	110,006	5%
Midville					
Water and sewer system improvements, street improvements and major equipment, major police equipment, City Hall equipment, Community House improvements	1,170,000	-	55,003	55,003	5%
Keysville					
Water and sewer system projects, Multi-purpose building project, street & drainage improvements and equipment	780,000	-	36,669	36,669	5%
Girard					
Waterworks improvements, building renovations and additions, street and sidewalk improvements	390,000	-	18,334	18,334	5%
	56,000,000	-	892,715	892,715	2%
Airport projects funded by federal and state grant funds			114,674		
SPLOST III fund total expenditures			$ 1,007,389		

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECT COSTS AND SOURCE AND APPLICATION OF
FUNDS FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Project: Community Development Block Grant
Renovation of existing public facility
Grant Number: 10p-y-017-1-5266
Commencement of project activity: March, 2011
Percentage complete: 100%

Description	Funding	Prior Year Costs	Current Year Costs	Total Cost
Renovation of existing public facility	$ 500,000	$ 22,890	$ 459,559	$ 482,449

THIGPEN, LANIER, WESTERFIELD & DEAL

CERTIFIED PUBLIC ACCOUNTANTS
201 SOUTH ZETTEROWER AVENUE
P.O. BOX 505
STATESBORO, GEORGIA 30459
PHONE (912) 489-8756
FAX (912) 489-1243

MARSHALL R. THIGPEN, CPA
WILLIAM RUSSELL LANIER, CPA
JOSEPH S. WESTERFIELD, CPA
RICHARD N. DEAL, CPA
KAY S. PROCTOR, CPA
LEE ANN LANE, CPA
JENNIFER GROOMS, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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 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, 2012, which collectively comprise Burke County, Georgia's basic financial statements and have issued our report thereon dated March 18, 2013. We did not audit the financial statements of the Burke County Health Department, a discretely presented component unit. 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 the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of Burke County, Georgia, is responsible for establishing and maintaining effective 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 Burke County Georgia'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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct

misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies 2012-1 through 2012-3 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described as 2012-4 in the accompany schedule of findings and questioned costs to be a significant deficiency.

Compliance and Other Matters

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

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

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

Thigpen, Lanier, Westerfield & Deal

March 18, 2013

BURKE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Pass-through programs from CSRA Regional Commission:			
Special Programs for the Aging - Nutrition Services	93.045	Not Available	$ 133,479
Nutrition Services Incentive Program	93.053	Not Available	10,777
Total U.S. Department of Health and Human Services			144,256
U.S. Department of Housing and Urban Development:			
Pass through program from the Georgia Department of Community Affairs for Community Development Block Grants	14.228	10p-y-017-1-5266	459,559
U.S. Department of Justice:			
Direct Programs:			
Edward Byrne Justice Assistance Grant	16.738		11,841
Edward Byrne Justice Assistance Grant	16.738		11,764
			23,605
ARRA - Recovery Act Edward Byrne Memorial Justice Assistance Grant	16.804		10,953
Pass through program from the Council of Juvenile Court Judges of Georgia - Juvenile Accountability Block Grant	16.523	JB-09ST-0004	6,666
Total U.S. Department of Justice			41,224
U.S. Department of Homeland Security:			
Pass through program from Georgia Emergency Management Agency for Emergency Management Performance Grants	97.042	OEM 11-017S01	6,673
U.S. Department of Agriculture:			
National Resources Conservation Service Direct Program:			
Environmental Quality Incentive Program (EQIP)	10.912		13,454
U.S. Department of Transportation:			
Pass-through programs from Georgia Department of Transportation:			
Formula Grants for Other Than Urbanized Areas	20.509	T003822 GA-18-4032	61,934
Formula Grants for Other Than Urbanized Areas	20.509	T004276 GA-18-4033	19,863
			81,797
Airport Improvement Program	20.106	AP012-9014-13(033) Burke PID - T004370	111,734
Total U.S. Department of Transportation			193,531
Total expenditures of federal awards			$ 858,697

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Burke County for the year ended September 30, 2012. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Burke County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Burke County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

BURKE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

State Grantor	Grant Number	Program Expenditures
Georgia Department of Transportation Airport Improvement Program	AP012-9014-13(033) Burke PID - T004370	$ 2,941
Georgia Department of Human Resources Senior Citizens Nutrition Program (Passed through CSRA Regional Commission)	N/A	7,858
Georgia Department of Community Affairs Communities of Opportunity Initiative Program	N/A	643
Council of Juvenile Court Judges of GA Juvenile Offenders Program	JB-09ST-0004	368
Council of Juvenile Court Judges of GA Juvenile Judge Grant	N/A	21,500
		$ 33,310

THIGPEN, LANIER, WESTERFIELD & DEAL

CERTIFIED PUBLIC ACCOUNTANTS
201 SOUTH ZETTEROWER AVENUE
P.O. BOX 505
STATESBORO, GEORGIA 30459
PHONE (912) 489-8756
FAX (912) 489-1243

MARSHALL R. THIGPEN, CPA
WILLIAM RUSSELL LANIER, CPA
JOSEPH S. WESTERFIELD, CPA
RICHARD N. DEAL, CPA
KAY S. PROCTOR, CPA
LEE ANN LANE, CPA
JENNIFER GROOMS, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S 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 U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on Burke County, Georgia's major federal program for the year ended September 30, 2012. Burke County, Georgia's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program 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 its major federal program for the year ended September 30, 2012.

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.

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

This report is intended solely for the information and use of management, board of commissioners, others within the entity, the State of Georgia, 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.

Thigpen, Lanier, Westerfield & Deal

March 18, 2013

SUMMARY OF AUDITOR'S RESULTS

1 The auditor's report expresses an unqualified opinion on the financial statements of Burke County, Georgia.

2 Four significant deficiencies disclosed during the audit of the financial statements are reported in the 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.* Three of the significant deficiencies were considered to be material weaknesses.

3 No instances of noncompliance material to the financial statements of Burke County, Georgia were disclosed during the audit.

4 No significant deficiencies in internal control over major federal award programs were reported in the 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.

5 The auditor's report on compliance for the major federal award program for Burke County, Georgia expresses an unqualified opinion on the major federal program.

6 There are no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.

7 Community Development Block Grants, CFDA number 14.228, was tested as a major program.

8 The threshold used for distinguishing between Type A and B programs was $300,000.

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

FINDINGS - FINANCIAL STATEMENT AUDIT

2012-1. Special Revenue Funds Omitted From the Financial Statements

Criteria: The finance department and external auditors should be made aware of the existence of all bank accounts and funds held in the County's name as well as the activity that takes place within these funds throughout the year.

Condition: During our audit we noted several bank accounts that have not been audited in previous years and accordingly have not been included in the County's annual financial statements.

Cause: These special revenue funds are maintained by the Sherriff's office, and County administration was unaware of their existence.

Effect: Prior year financial statements did not include the activity for these special revenue funds. Furthermore, budgets were not adopted for these funds in accordance with the County's budgeting policies and internal controls were weakened due to a lack of oversight and accountability. During the year ended September 30, 2012, embezzlement occurred in one of these accounts that is currently under investigation by law enforcement.

Management Response: We concur with the finding. Management will coordinate with the elected official in establishing policies and procedures to ensure proper oversight and accountability, including the adoption of a budget for the funds in the future.

2012-2. Non-Fiduciary Activity Held in Sherriff's Department Agency Account

Criteria: The checking accounts maintained by constitutional officers for fiduciary activity should be used to collect funds only for which the agency has a fiduciary duty to remit the funds to the County, other agencies, or individuals.

Condition: Funds for vending machine commissions as well as inmate telephone commissions were deposited and retained in the sheriff's fiduciary account. Furthermore, various non-fiduciary disbursements for sheriff's department expenses were made from the fiduciary account.

Cause: These special revenue funds are maintained by the Sherriff's office, and County administration was unaware of their existence.

Effect: In previous years' financial statements, balances due to others were overstated to include accumulated non-fiduciary funds, which should be either turned over to the County's general fund or reported as a special revenue fund. Furthermore, expenditures from these funds are not subject to the same internal controls as other County expenditures and budgets were not adopted for these funds in accordance with the County's budgeting process.

Management Response: We concur with the finding. Management will coordinate with the elected official in establishing policies, budgets, and proper accounting procedures concerning revenues and expenditures that have been deposited and disbursed from the fiduciary account in previous years.

FINDINGS - FINANCIAL STATEMENT AUDIT – Continued

2012-3. Excess Funds in Tax Commissioner Agency Accounts

Criteria: Balances in all fiduciary accounts at the end of each month should be accounted for and the personnel in each office should have the ability to reconcile the ending cash balance to amounts required to be disbursed to others by payee or held on behalf of others.

Condition: Various accounts held by the tax commissioner held excess funds for which there was no explanation.

Cause: Over the last several years, ending cash balances have not been compared to balances to be disbursed out to various agencies and other recipients in the subsequent month, resulting in accumulated excess funds.

Effect: Material additional funds were due to the County at the fiscal year ended September 30, 2012 and there are remaining excess funds that have to be accounted for.

Management Response: We concur with the finding. Management will coordinate with the newly elected Tax Commissioner to establish policies and procedures to appropriately disburse and account for funds held in the Tax Commissioner's agency account.

2012-4. Tax Sales Excess in Tax Commissioner Agency Accounts

Criteria: Excess funds from tax sales through the Tax Commissioner's office should be tracked and accounted for in an appropriate manner that enables office personnel to know who excess funds are payable to and funds not claimed by the taxpayer should be handled in accordance with state laws.

Condition: In previous years, proceeds from tax sales remaining after all liens are paid have not been remitted to the taxpayer unless they were requested, some of which were collected as far back as 2004. The accumulation of these funds totals to over $200,000.

Cause: There have been no procedures to track and maintain a detail of the excess proceeds from tax sales and who they were payable to.

Effect: The absence of procedures to account for and track excess tax sales funds held has resulted in the inability to reconcile ending cash balances to amounts due to others, as well as noncompliance with state laws.

Management Response: We concur with the finding. Management will coordinate with the newly elected Tax Commissioner to establish policies and procedures to account for and appropriately reconcile ending cash balances to amounts due to others in compliance with state laws.

FINDINGS AND QUESTION COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None reported.