BURKE COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Burke County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Burke County, Georgia, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Burke County Board of Health (Health Department), a discretely presented component unit, which represents 1.5% and 1.6%, respectively, of the assets and net position of Burke County, Georgia. We did not audit the financial statements of the Burke County Hospital Authority, a discretely presented component unit, which represents 13.6% and 2.8%, respectively, of the assets and net position of Burke County, Georgia.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Burke County Board of Health (Health Department), a discretely presented component unit, which represents 1.5% and 1.6%, respectively, of the assets and net position of Burke County, Georgia. We did not audit the financial statements of the Burke County Hospital Authority, a discretely presented component unit, which represents 13.6% and 2.8%, respectively, of the assets and net position of Burke County, Georgia. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Burke County Board of Health (Health Department) and the Burke County Hospital Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Burke County, Georgia as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Fire Protection Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Burke County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and schedules of projects paid with SPLOST proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, schedules of projects paid with SPLOST proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, schedules of projects paid with SPLOST proceeds, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 27, 2015, on our consideration of the Burke County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Burke County, Georgia's internal control over financial reporting and compliance.

Thigpen, Lanier, Westerfield & Deal

Statesboro, Georgia
March 27, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

The Management's Discussion and Analysis of the Annual Financial Report of Burke County, Georgia (the Government) provides an overall narrative and analysis of the Government's financial statements for the fiscal years ended September 30, 2014 and 2013. This discussion and analysis is designed to look at the Government's financial performance as a whole. Readers should also review the complete financial statements, with notes, which follow this narrative, for a better understanding of the Government's financial performance.

Overview of the Financial Statements

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

Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

The Statement of Activities presents information showing how the Government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g. uncollected taxes).
The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the Government's basic services such as general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development. Property taxes, sales taxes, and state and federal grant funds finance most of these activities. The business-type activities are those services that the Government charges a fee to customers in order to provide. These include solid waste management and transit services. The final category is component units.

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

Fund Financial Statements

A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Governmental Funds

Most of the basic services provided by the Government are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, these funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next year.

Governmental funds are reported using an accounting method called modified-accrual accounting, which focuses on current financial resources. Such information may be useful in evaluating the government's short-term financing requirements. These statements provide a detailed short-term view of the Government's finances that assists in determining whether there will be adequate financial resources available to meet the Government's current needs. The relationship between government activities in the government-wide financial statements and the governmental funds financial statements is described in a reconciliation that is a part of the fund financial statements.

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

Proprietary Funds

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

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

Fiduciary Funds

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

Government-wide Financial Analysis

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

Net Position

Net Position may serve over time as one useful indicator of a government's financial condition. The assets of the Government exceeded liabilities by $56.1 million and $43.9 million as of September 30, 2014 and September 30, 2013, respectively.

The largest portion of Burke County's net position, 58.2% in 2014 and 71.3% in 2013, 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, 2014 and 2013

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 31,677,856	$ 19,410,663	$ (165,625)	$ 99,624	$ 31,512,231	$ 19,510,287
Capital assets	30,550,216	29,490,780	2,116,311	1,823,975	32,666,527	31,314,755
Total assets	62,228,072	48,901,443	1,950,686	1,923,599	64,178,758	50,825,042
Long-term liabilities outstanding	3,381,059	2,109,777	1,871,468	1,841,910	5,252,527	3,951,687
Other liabilities	2,755,098	2,872,099	79,218	81,689	2,834,316	2,953,788
Total liabilities	6,136,157	4,981,876	1,950,686	1,923,599	8,086,843	6,905,475
Net position:						
Invested in capital assets	30,550,216	29,490,780	2,116,311	1,823,975	32,666,527	31,314,755
Restricted for:						
Capital projects	12,903,333	7,519,295	-	-	12,903,333	7,519,295
Other purposes	2,489,146	157,947	-	-	2,489,146	157,947
Unrestricted	10,149,220	6,751,545	(2,116,311)	(1,823,975)	8,032,909	4,927,570
Total net position	$ 56,091,915	$ 43,919,567	$ -	$ -	$ 56,091,915	$ 43,919,567

The balance of unrestricted net position, 14.3% in 2014 and 11.2% in 2013, may be used to meet the Government's ongoing obligations to citizens and creditors.

The Government's net position increased by $12,172,348 and $6,814,030 during the fiscal years ended September 30, 2014 and 2013, respectively.

Governmental activities

Governmental activities increased Burke County's net position by $12,172,348 in 2014 and $6,814,030 in 2013 thereby accounting for 100% in 2014 and 100% in 2013 of the total change in the net position of Burke County. The key factor for 2014 and 2013 was a substantial increase in the tax digest.

Business-type activities

Business-type activities had no effect on Burke County's net position in 2014 or 2013, accounting for 0% in 2014 and 2013 of the total change in the government's net position.

Burke County's Changes in Net Position
September 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total	
	Fiscal Year Ended September 30, 2014	Fiscal Year Ended September 30, 2013	Fiscal Year Ended September 30, 2014	Fiscal Year Ended September 30, 2013	Fiscal Year Ended September 30, 2014	Fiscal Year Ended September 30, 2013
Revenues:						
Program revenues:						
Fees, Fines, and Charges for services	$ 3,621,813	$ 3,486,947	$ 686,382	$ 680,310	$ 4,308,195	$ 4,167,257
Operating grants and contributions	1,464,463	424,508	79,612	80,531	1,544,075	505,039
Capital grants and contributions	833,853	650,074	35,204	39,368	869,057	689,442
General revenues:						
Property taxes	23,567,864	19,977,142			23,567,864	19,977,142
Other taxes	12,881,649	10,832,452			12,881,649	10,832,452
Other	73,427	67,258			73,427	67,258
Total revenues	42,443,069	35,438,381	801,198	800,209	43,244,267	36,238,590
Expenses:						
General government	1,052,323	1,989,913			1,052,323	1,989,913
Judicial	2,101,038	1,808,215			2,101,038	1,808,215
Public safety	13,418,298	13,021,272			13,418,298	13,021,272
Culture and recreation	1,503,463	1,428,136			1,503,463	1,428,136
Health and welfare	2,045,546	610,854			2,045,546	610,854
Public works	7,063,142	6,590,256			7,063,142	6,590,256
Housing and development	1,844,691	2,122,679			1,844,691	2,122,679
Interest on long-term debt	-	-			-	-
Solid Waste			1,627,778	1,506,073	1,627,778	1,506,073
Transit			377,938	383,577	377,938	383,577
Total expenses	29,028,501	27,571,325	2,005,716	1,889,650	31,034,217	29,460,975
Change in net position before transfers	13,414,568	7,867,056	(1,204,518)	(1,089,441)	12,210,050	6,777,615
Gain (Loss) on sale of capital assets	4,090	36,415	(41,792)	-	(37,702)	36,415
Transfers	(1,246,310)	(1,089,441)	1,246,310	1,089,441	-	-
Increase (Decrease) in net position	12,172,348	6,814,030	-	-	12,172,348	6,814,030
Net position, beginning of year	43,919,567	37,105,537	-	-	43,919,567	37,105,537
Net position, end of year	$ 56,091,915	$ 43,919,567	$ -	$ -	$ 56,091,915	$ 43,919,567

Financial Analysis of the Government's Funds

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

Governmental Funds

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

The combined fund balance of all the governmental funds is $28.3 million in 2014 and $16.7 million in 2013, of which $12.3 million in 2014, or 43% and $8.4 million in 2013, or 50%, 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 $12.3 million in 2014 and $8.5 million in 2013, while total fund balance was $12.9 million in 2014 and $9.2 million in 2013. 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 61.0% in 2014 and 50.8% in 2013 of total General Fund expenditures and net transfers out. Total fund balance represents 64.1% in 2014 and 54.9% in 2013 of that same amount.

The fund balance of Burke County's General Fund increased by $3,744,755 and $3,082,544 during the fiscal years ended September 30, 2014 and 2013, respectively. The key factors in these changes were increased property tax revenue coupled with consistent efforts to monitor operating expenditures in 2014 and 2013.

Capital Projects Funds

The Government uses Capital Projects Funds to account for the acquisition and construction of major capital facilities that are not financed by Proprietary Funds. A major fund in the fund financial statements is the Special Purpose Local Option Sales Tax II Fund. The proceeds of the special purpose 1% sales tax (SPLOST 2) are accounted for in this Capital Projects Fund until expenditures are incurred. The fund balance decreased in 2014 by $380,162 and in 2013 by $1,618,378. Another major fund in the fund financial statements is the Special Purpose Local Option Sales Tax III Fund. The proceeds of the special purpose 1% sales tax (SPLOST 3) are accounted for in this Capital Projects Fund until expenditures are incurred. The increase in fund balance of $3,246,145 in 2014 and $3,076,251 in 2013 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 $2,324,271 in 2014 and $1,197,160 in 2013 due primarily to increased property tax revenues in 2014 and 2013.

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, 2014 and 2013, respectively. Net position in the Burke Transit Fund amounted to $0 for the fiscal years ended September 30, 2014 and 2013, respectively.

The total change in net position in the Solid Waste Fund was $0 in 2014 and 2013. The total change in net position in the Burke Transit Fund was $0 for the fiscal years ended September 30, 2014 and 2013, respectively. The Government's internal service funds, Vehicle Maintenance Fund and Facility Maintenance Fund, had a net position of zero in 2014 and 2013 and total growth in net position of zero during 2014 and 2013.

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

For 2013, there was no difference between the original budget and the final amended budget. Actual revenues were $1,552,418 over budget primarily due to increased property tax revenues. Actual expenditures were $1,310,508 under budget (budget basis), primarily the result of major renovations at the Jail coming in under budget and maintenance costs of public works equipment lower than estimated.

Capital Assets and Debt Administration

Burke County's investment in capital assets for its governmental and business-type activities as of September 30, 2014 and 2013 amounted to $32,666,527 and $31,314,755, 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 2014 included the following:

- SPLOST-funded portion of road construction and equipment in the amount of $728,302
- General fund-funded portion of road construction in the amount of $282,086
- SPLOST-funded purchase of patrol cars of $30,829
- General fund-funded purchase of patrol cars of $184,974
- General fund-funded purchase of one dump truck and two pickup trucks in the amount of $128,988
- SPLOST-funded purchase of land for future development of a judicial center in the amount of $200,000
- SPLOST-funded construction of a new landfill scale house in the amount of $304,238
- SPLOST and grant-funded airport improvements of $697,846
- Local Maintenance & Improvement Grant-funded portion of road construction in the amount of $129,900
- TSPLOST-funded road resurfacing projects in the amount of $929,755

Major capital asset transactions during 2013 included the following:

- SPLOST-funded portion of road construction in the amount of $730,442
- General fund-funded portion of road construction in the amount of $194,479
- SPLOST-funded purchase of patrol cars of $31,078
- SPLOST and grant-funded airport improvements of $140,054
- Local Maintenance & Improvement Grant-funded portion of road construction in the amount of $492,323
- SPLOST-funded recreation facility improvements in the amount of $413,557

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

Burke County's Capital Assets
(net of depreciation)
September 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Construction in progress	$ 1,276,997	$ 365,728	$ -	$ -	$ 1,276,997	$ 365,728
Land	1,286,011	1,286,011	1,037,752	1,037,752	2,323,763	2,323,763
Buildings	10,057,093	10,476,248	363,102	78,039	10,420,195	10,554,287
Improvements	-	-	16,000	19,893	16,000	19,893
Equipment	2,509,574	2,349,076	699,457	688,291	3,209,031	3,037,367
Infrastructure	15,420,541	15,013,717	-	-	15,420,541	15,013,717
Total	$ 30,550,216	$ 29,490,780	$ 2,116,311	$ 1,823,975	$ 32,666,527	$ 31,314,755

Long-Term Debt

Burke County had a total of $4,680,867 in outstanding long-term debt as of September 30, 2014 and $4,188,011 in outstanding long-term debt as of September 30, 2013. 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, 2014 and 2013. There were no bonds issued during 2014 or 2013.

Burke County's Outstanding Debt
General Obligation Bonds and Other Debt
September 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Accrued compensated absences	$ 521,541	$ 482,584	$ 21,472	$ 19,042	$ 543,013	$ 501,626
Net pension obligation	2,285,711	1,861,613			2,285,711	1,861,613
Landfill closure costs	-	-	1,852,143	1,824,772	1,852,143	1,824,772
Total debt	$ 2,807,252	$ 2,344,197	$ 1,873,615	$ 1,843,814	$ 4,680,867	$ 4,188,011

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 $257 million.

The Burke County Hospital Authority applied for a line of credit during the fiscal year ended September 30, 2013 for $3,500,000. 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 was repaid in full as of September 30, 2014.

Subsequently, the Hospital Authority applied for a loan during the fiscal year ended September 30, 2014 for up to $10,000,000 to assist with short-term operating cash. The financial institution issuing the loan required a guaranty by the County to ensure repayment of the debt. The outstanding balance has been included in the financial statements of the Hospital Authority as of May 31, 2014 in the amount of $8,909,688. The first principal payment of $1,500,000 was made by the Hospital Authority after the County made an appropriation payment to the Authority during the fiscal year ended September 30, 2014 in the same amount.

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

Economic Factors and Next Year's Budget

The 2014 Fiscal Year saw continued improvement in the local economy. The property tax digest grew by $200 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 2015 is showing growth in the General Fund due to increases in the value of utilities. The Commissioners have left the millage rate at the same level as previously in order to build up reserves and to address maintenance and equipment issues neglected during the recession. The Board did lower the millage rate for the Fire District due to the increase in the tax digest. The Board has also committed to assisting the Burke County Hospital Authority with its debt service. This will be required from the General Fund. Construction of the new units at Plant Vogtle has been delayed and it will continue until 2020. We expect revenues to continue to grow for the next five years as construction at Plant Vogtle progresses. After 2020, the utility digest will begin to decline in value.

Requests for Information

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

BURKE COUNTY, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Health Department	Hospital Authority	Development Authority
ASSETS						
Current Assets:						
Cash	$ 3,980,147	-	$ 3,980,147	$ 503,818	$ 3,247,611	$ 1,496,452
Investments	24,119,969	-	24,119,969	419,261	207,228	500,000
Receivables:						
Taxes	1,102,774	-	1,102,774	-	-	-
Intergovernmental	1,470,231	$ 22,203	1,492,434	48,490	-	71,423
Internal balances	295,963	(295,963)	-	-	-	-
Other	87,634	108,135	195,769	-	793,619	382
Prepaid items	136,804	-	136,804	-	123,646	-
Inventories	484,334	-	484,334	-	190,136	-
Total Current Assets	31,677,856	(165,625)	31,512,231	971,569	4,562,240	2,068,257
Restricted Cash	-	-	-	-	599,975	-
Capital Assets:						
Nondepreciable capital assets	2,563,008	1,037,752	3,600,760	-	76,265	4,650,241
Depreciable capital assets, net	27,987,208	1,078,559	29,065,767	9,754	3,450,609	103,527
Total Capital Assets	30,550,216	2,116,311	32,666,527	9,754	3,526,874	4,753,768
Other Assets	-	-	-	-	51,204	-
Total Assets	62,228,072	1,950,686	64,178,758	981,323	8,740,293	6,822,025
LIABILITIES						
Current Liabilities:						
Accounts payable	1,283,467	64,692	1,348,159	-	992,989	20,148
Intergovernmental payable	494,820	-	494,820	24,074		228,612
Accrued payroll	347,189	12,379	359,568	-	-	3,060
Retirement contributions payable	529,499	-	529,499	-	-	-
Unearned revenue	673,930	-	673,930	5,941	-	-
Compensated absences payable	52,154	2,147	54,301	-	-	865
Line of credit	-	-	-	-	105,189	-
Notes payable	-	-	-	-	1,350,000	
Total Current Liabilities	3,381,059	79,218	3,460,277	30,015	2,448,178	252,685
Long-Term Liabilities:						
Unearned revenue	-	-	-	-	403,738	-
Net pension obligation (net of current portion)	2,285,711	-	2,285,711	-	-	-
Compensated absences payable (net of current portion)	469,387	19,325	488,712	31,137	-	7,782
Accrued landfill closure and postclosure care costs	-	1,852,143	1,852,143	-	-	-
Notes payable (net of current portion)	-	-	-	-	7,454,499	
Total Long-Term Liabilities	2,755,098	1,871,468	4,626,566	31,137	7,858,237	7,782
Total Liabilities	6,136,157	1,950,686	8,086,843	61,152	10,306,415	260,467
NET POSITION						
Investment in capital assets	30,550,216	2,116,311	32,666,527	9,754	3,490,846	4,753,768
Restricted for:						
Capital projects	12,903,333	-	12,903,333	-	-	-
Other purposes	2,489,146	-	2,489,146	-	10,304	-
Unrestricted	10,149,220	(2,116,311)	8,032,909	910,417	(5,067,272)	1,807,790
Total Net Position	$ 56,091,915	$ -	$ 56,091,915	$ 920,171	$ (1,566,122)	$ 6,561,558

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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: Hospital Authority	Component Units: Development Authority
Primary Government										
Governmental Activities										
General government	$ 1,052,323	$ 904,323	$ 205,434	-	$ 57,434	-	$ 57,434	-	-	-
Judicial	2,101,038	241,243	38,232	-	(1,821,563)	-	(1,821,563)	-	-	-
Public safety	13,418,298	2,228,178	45,360	$ 12,139	(11,132,621)	-	(11,132,621)	-	-	-
Public works	7,063,142	-	962,489	143,811	(5,956,842)	-	(5,956,842)	-	-	-
Health and welfare	2,045,546	-	102,720	-	(1,942,826)	-	(1,942,826)	-	-	-
Culture and recreation	1,503,463	141,234	96,023	-	(1,266,206)	-	(1,266,206)	-	-	-
Housing and development	1,844,691	106,835	14,205	677,903	(1,045,748)	-	(1,045,748)	-	-	-
Total governmental activities	29,028,501	3,621,813	1,464,463	833,853	(23,108,372)	-	(23,108,372)	-	-	-
Business-type Activities										
Solid Waste	1,627,778	553,070	-	-	-	$ (1,074,708)	(1,074,708)	-	-	-
Transit	377,938	133,312	79,612	35,204	-	(129,810)	(129,810)	-	-	-
Total business-type activities	2,005,716	686,382	79,612	35,204	-	(1,204,518)	(1,204,518)	-	-	-
Total - Primary Government	$ 31,034,217	$ 4,308,195	$ 1,544,075	$ 869,057	(23,108,372)	(1,204,518)	(24,312,890)	-	-	-
Component Units:										
Burke County Board of Health	$ 714,258	$ 154,178	$ 468,735	-				$ (91,345)		-
Development Authority of Burke County	388,690	238,659	200,000	$ 269,962				-	-	$ 319,931
Burke County Hospital Authority	10,863,135	7,459,907	-	275,342					$ (3,127,886)	
Total Component Units	$ 11,966,083	$ 7,852,744	$ 668,735	$ 545,304				(91,345)	(3,127,886)	319,931
		General Revenues								
		Property taxes levied for:								
		General purposes			15,586,245	-	15,586,245	-	-	-
		Fire protection			7,981,619	-	7,981,619	-	-	-
		Sales taxes			11,876,215	-	11,876,215	-	-	-
		Insurance premium tax			761,639	-	761,639	-	-	-
		Other taxes			243,795	-	243,795	-	-	-
		Interest earned			15,339	-	15,339	8,079	5,468	2,242
		Miscellaneous			58,088	-	58,088	-	1,064	-
		Gain on sale of capital assets			4,090	(41,792)	(37,702)	-	-	-
		Total General Revenues			36,527,030	(41,792)	36,485,238	8,079	6,532	2,242
		Transfers			(1,246,310)	1,246,310	-	-	-	-
		Total General Revenues and Transfers			35,280,720	1,204,518	36,485,238	8,079	6,532	2,242
		Change in Net Position			12,172,348	-	12,172,348	(83,266)	(3,121,354)	322,173
		Net Position, Beginning of Year			43,919,567	-	43,919,567	1,003,437	1,555,232	6,239,385
		Net Position, End of Year			$ 56,091,915	$ -	$ 56,091,915	$ 920,171	$ (1,566,122)	$ 6,561,558

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	General	Fire Protection	SPLOST II	SPLOST III	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 931,749	$ 23,079	$ 1,000	$ 1,288,745	$ 1,735,574	$ 3,980,147
Investments	15,208,060	-	1,385,305	7,526,604	-	24,119,969
Receivables:						
Taxes	1,080,535	22,239	-	-	-	1,102,774
Intergovernmental	332,697	-	-	980,836	156,698	1,470,231
Other	-	26,239	-	-	61,395	87,634
Due from other funds	367,419	2,348,849	-	-	2,069,659	4,785,927
Prepaid items	136,804	-	-	-	-	136,804
Inventories	484,334	-	-	-	-	484,334
TOTAL ASSETS	$ 18,541,598	$ 2,420,406	$ 1,386,305	$ 9,796,185	$ 4,023,326	$ 36,167,820
LIABILITIES						
Accounts payable	$ 379,240	$ 34,468	$ 1,411	$ 568,831	$ 229,364	$ 1,213,314
Accrued payroll	182,385	137,873	-	-	7,185	327,443
Retirement contribution payable	529,499	-	-	-	-	529,499
Intergovernmental payable	-	-	-	494,820	-	494,820
Due to other funds	4,508,407	-	-	-	71,456	4,579,863
Unearned revenue	-	-	-	670,060	3,870	673,930
TOTAL LIABILITIES	5,599,531	172,341	1,411	1,733,711	311,875	7,818,869
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	39,185	14,405	-	-	-	53,590
FUND BALANCES						
Nonspendable	621,138	-	-	-	-	621,138
Restricted	-	2,233,660	1,384,894	8,062,474	1,711,451	13,392,479
Committed	-	-	-	-	2,000,000	2,000,000
Unassigned	12,281,744	-	-	-	-	12,281,744
TOTAL FUND BALANCES	12,902,882	2,233,660	1,384,894	8,062,474	3,711,451	28,295,361
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 18,541,598	$ 2,420,406	$ 1,386,305	$ 9,796,185	$ 4,023,326	$ 36,167,820

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, 2014

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Fund Balances		$ 28,295,361
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	$ 75,145,264	
Less accumulated depreciation	(44,595,048)	30,550,216
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		53,590
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	4,578,863	
Interfund payables	(4,578,863)	-
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.		(2,285,711)
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.		(521,541)
Net Position Of Governmental Activities		$ 56,091,915

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, 2014

	General	Fire Protection	SPLOST II	SPLOST III	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 20,798,120	$ 7,975,681	-	$ 6,047,141	$ 1,603,206	$ 36,424,148
Licenses and permits	113,635	-	-	-	-	113,635
Charges for services	1,204,900	1,172,736	-	-	378,581	2,756,217
Fees, fines and forfeitures	449,930	-	-	-	133,478	583,408
Intergovernmental	1,226,834	86,792	-	807,803	158,187	2,279,616
Contributions and donations	-	-	-	-	4,789	4,789
Interest	15,214	-	$ 2,066	6,706	5,264	29,250
Other	58,088	1,463	-	-	167,091	226,642
Total revenues	23,866,721	9,236,672	2,066	6,861,650	2,450,596	42,417,705
EXPENDITURES						
Current:						
General government	1,846,002	-	-	-	-	1,846,002
Judicial	1,801,121	-	-	-	70,456	1,871,577
Public safety	4,459,236	7,712,401	-	-	607,039	12,778,676
Public works	3,846,988	-	-	-	-	3,846,988
Health and welfare	2,008,259	-	-	-	17,046	2,025,305
Culture and recreation	1,272,202	-	-	-	82,532	1,354,734
Housing and development	865,410	-	-	-	-	865,410
Capital outlay						
Judicial	-	-	-	200,000	-	200,000
Public safety	-	-	-	44,252	21,830	66,082
Public works	-	-	664,314	475,973	1,031,050	2,171,337
Culture and recreation	-	-	-	22,900	7,730	30,630
Health and welfare	-	-	-	-	-	-
Housing and development	-	-	-	967,808	-	967,808
Intergovernmental	-	-	-	1,600,333	-	1,600,333
Total expenditures	16,099,218	7,712,401	664,314	3,311,266	1,837,683	29,624,882
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,767,503	1,524,271	(662,248)	3,550,384	612,913	12,792,823
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	4,090	-	-	-	-	4,090
Transfers in	-	800,000	282,086	-	2,067,781	3,149,867
Transfers out	(4,026,838)	-	-	(304,239)	(65,100)	(4,396,177)
Total other financing sources (uses)	(4,022,748)	800,000	282,086	(304,239)	2,002,681	(1,242,220)
NET CHANGE IN FUND BALANCES	3,744,755	2,324,271	(380,162)	3,246,145	2,615,594	11,550,603
FUND BALANCES, OCTOBER 1, 2013	9,158,127	(90,611)	1,765,056	4,816,329	1,095,857	16,744,758
FUND BALANCES, SEPTEMBER 30, 2014	$ 12,902,882	$ 2,233,660	$ 1,384,894	$ 8,062,474	$ 3,711,451	$ 28,295,361

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, 2014

Amounts reported for governmental activities in the statement of activities are different because:			
Net Change In Fund Balances - Total Governmental Funds			$ 11,550,603
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	$ (2,714,660)	
	Capital outlay	3,774,096	1,059,436
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 @ 9/30/14	53,590	
	Unavailable revenue @ 9/30/13	(28,226)	25,364
Elimination of transfers between governmental funds:			
	Transfers in	3,149,867	
	Transfers out	(3,149,867)	-
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.			(463,055)
Change In Net Position of Governmental Activities			$ 12,172,348

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, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 14,992,432	$15,023,432	$ 15,566,817	$ 543,385
Local option sales	4,090,000	4,090,000	4,225,868	135,868
Alcoholic beverage	60,000	60,000	68,067	8,067
Insurance premium	700,000	700,000	761,639	61,639
Other	151,091	151,091	175,729	24,638
Licenses and permits	76,000	82,000	113,635	31,635
Charges for services	1,141,550	1,141,550	1,204,900	63,350
Fees, Fines and forfeitures	352,500	352,500	449,930	97,430
Intergovernmental	224,500	193,500	1,226,834	1,033,334
Interest	7,000	7,000	15,214	8,214
Other	60,200	60,200	58,088	(2,112)
Total revenues	21,855,273	21,861,273	23,866,721	2,005,448
EXPENDITURES				
Current:				
General government:				
Legislative	65,800	65,800	58,788	7,012
General administration	1,355,000	1,276,456	337,743	938,713
Elections	228,873	228,873	192,123	36,750
Board of equalization	8,893	8,893	4,057	4,836
Legal services	150,000	150,000	56,880	93,120
Data processing	30,000	30,000	23,001	6,999
Tax commissioner	442,125	449,625	409,714	39,911
Tax assessor	322,775	322,775	293,806	28,969
Risk management	405,000	405,000	376,983	28,017
Audit fees	35,000	35,000	27,490	7,510
Records management	49,990	49,990	47,154	2,836
CSRA Regional Commission	19,000	19,000	18,263	737
Total general government	3,112,456	3,041,412	1,846,002	1,195,410
Judicial:				
Clerk of Courts	523,701	523,701	466,694	57,007
Superior Court	322,400	322,400	274,835	47,565
State Court	187,950	186,700	164,512	22,188
State Court - Judge	73,119	82,891	47,706	35,185
State Court - Community Service	35,200	35,200	37,083	(1,883)
Juvenile Court	104,850	113,372	72,074	41,298
District Attorney	180,000	180,000	143,501	36,499
Indigent defense	210,000	210,000	131,547	78,453
Magistrate Court	330,100	330,100	328,181	1,919
Probate Court	133,100	133,100	134,988	(1,888)
Total judicial	2,100,420	2,117,464	1,801,121	316,343
Public safety:				
Animal control	13,500	13,500	6,000	7,500
Coroner	49,625	49,625	50,939	(1,314)
Jail	2,137,100	2,137,100	1,923,290	213,810
Sheriff	2,729,400	2,729,400	2,479,007	250,393
Total public safety	4,929,625	4,929,625	4,459,236	470,389

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, 2014

	Original and Final Budget	Original and Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Highways and streets	$ 4,154,350	$ 4,154,350	$ 3,846,988	$ 307,362
Health and welfare:				
Health department	220,300	220,300	233,352	(13,052)
Welfare	4,000	4,000	4,000	-
Senior citizens	323,000	323,000	270,907	52,093
Burke County Hospital Authority	1,500,000	1,500,000	1,500,000	-
Total health and welfare	2,047,300	2,047,300	2,008,259	39,041
Culture and recreation:				
Recreation	974,218	974,218	907,989	66,229
Museum	8,700	8,700	6,593	2,107
Library	350,500	350,500	357,620	(7,120)
Total culture and recreation	1,333,418	1,333,418	1,272,202	61,216
Housing and development:				
Burke Office Park	154,500	154,500	157,627	(3,127)
County agent	164,600	164,600	154,538	10,062
Soil conservation	29,650	29,650	28,892	758
Georgia Forestry Commission	34,000	34,000	33,226	774
Planning commission	291,604	291,604	267,776	23,828
Chamber of commerce	18,000	18,000	18,000	-
Airport	15,400	15,400	5,351	10,049
Development Authority	200,000	200,000	200,000	-
Total housing and development	907,754	907,754	865,410	42,344
Total expenditures	18,585,323	18,531,323	16,099,218	2,432,105
EXCESS OF REVENUES OVER EXPENDITURES	3,269,950	3,329,950	7,767,503	4,437,553
OTHER FINANCING SOURCES (USES)				
Transfers in	200	200	-	200
Transfers out	(4,280,150)	(4,340,150)	(4,026,838)	(253,312)
Proceeds from sale of assets	10,000	10,000	4,090	5,910
Total other financing sources (uses)	(4,269,950)	(4,329,950)	(4,022,748)	(247,202)
NET CHANGE IN FUND BALANCE	$ (1,000,000)	$ (1,000,000)	3,744,755	$ 4,190,351
FUND BALANCE, BEGINNING OF YEAR			9,158,127	
FUND BALANCE, END OF YEAR			$ 12,902,882	

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, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	$ 5,880,150	$ 7,975,681	$ 2,095,531
Charges for services	1,120,000	1,172,736	52,736
Intergovernmental	35,000	86,792	51,792
Other	1,000	1,463	463
Total revenues	7,036,150	9,236,672	2,200,522
EXPENDITURES			
Current:			
Public safety	7,788,785	7,712,401	76,384
Capital outlay:			
Public safety	47,365	-	47,365
Total public safety	7,836,150	7,712,401	123,749
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(800,000)	1,524,271	2,324,271
OTHER FINANCING SOURCES			
Transfers in	800,000	800,000	-
NET CHANGE IN FUND BALANCE	$ -	2,324,271	$ 2,324,271
FUND BALANCE, BEGINNING OF YEAR		(90,611)	
FUND BALANCE, END OF YEAR		$ 2,233,660	

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
ASSETS				
Current Assets				
Accounts receivable	$ 108,135	-	$ 108,135	-
Intergovernmental	-	$ 22,203	22,203	-
Due from other funds	-	-	-	$ 89,899
Total Current Assets	108,135	22,203	130,338	89,899
Noncurrent Assets				
Capital Assets				
Land	1,037,752	-	1,037,752	-
Buildings and improvements	461,081	-	461,081	-
Machinery and equipment	953,235	342,139	1,295,374	-
Less accumulated depreciation	(504,121)	(173,775)	(677,896)	-
Total Capital Assets	1,947,947	168,364	2,116,311	-
Total Assets	2,056,082	190,567	2,246,649	89,899
LIABILITIES				
Current Liabilities				
Accounts payable	64,692	-	64,692	70,153
Accrued payroll	7,991	4,388	12,379	19,746
Compensated absences payable	1,309	838	2,147	-
Due to other funds	118,164	177,799	295,963	-
Total Current Liabilities	192,156	183,025	375,181	89,899
Long-Term Liabilities				
Compensated absences payable (net of current portion)	11,783	7,542	19,325	-
Accrued landfill closure and postclosure care costs	1,852,143	-	1,852,143	-
Total Long-term Liabilities	1,863,926	7,542	1,871,468	-
Total Liabilities	2,056,082	190,567	2,246,649	89,899
NET POSITION				
Investment in capital assets	1,947,947	168,364	2,116,311	-
Unrestricted	(1,947,947)	(168,364)	(2,116,311)	-
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, 2014

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	$ 548,733	$ 132,321	$ 681,054	$ 3,033,266
Other	4,337	991	5,328	-
Total revenues	553,070	133,312	686,382	3,033,266
OPERATING EXPENSES				
Salaries	275,608	166,783	442,391	680,297
Employee benefits	100,951	43,633	144,584	244,184
Purchased services	1,037,904	58,468	1,096,372	305,029
Materials and supplies	109,883	65,211	175,094	1,803,756
Depreciation	103,432	43,843	147,275	-
Total operating expenses	1,627,778	377,938	2,005,716	3,033,266
OPERATING INCOME (LOSS)	(1,074,708)	(244,626)	(1,319,334)	-
NON-OPERATING REVENUES				
Intergovernmental	-	114,816	114,816	-
Loss on disposal of capital assets	(40,351)	(1,441)	(41,792)	-
Total other financing sources (uses)	(40,351)	113,375	73,024	-
LOSS BEFORE TRANSFERS	(1,115,059)	(131,251)	(1,246,310)	-
TRANSFERS IN	1,115,059	131,251	1,246,310	-
CHANGE IN NET POSITION	-	-	-	-
NET POSITION, OCTOBER 1, 2013	-	-	-	-
NET POSITION, SEPTEMBER 30, 2014	$ -	$ -	$ -	$ -

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 483,838	$ 133,312	$ 617,150	-
Cash received from interfund charges	-	-	-	$ 3,090,471
Cash payments to employees for salaries and benefits	(375,061)	(208,054)	(583,115)	(921,686)
Cash payments for goods and services	(1,124,506)	(123,733)	(1,248,239)	(2,168,785)
Net cash used by operating activities	(1,015,729)	(198,475)	(1,214,204)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants	-	126,316	126,316	-
Advances from (to) other funds	338,067	(15,088)	322,979	-
Transfers in	1,115,059	72,011	1,187,070	-
Net cash provided (used) by noncapital financing activities	1,453,126	183,239	1,636,365	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers from T-SPLOST capital projects fund	-	59,240	59,240	-
Proceeds from sale of assets	190	-	190	-
Purchase of capital assets	(437,587)	(44,004)	(481,591)	-
Net cash provided (used) by noncapital financing activities	(437,397)	15,236	(422,161)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-	-
CASH AND CASH EQUIVALENTS, OCTOBER 1, 2013	-	-	-	-
CASH AND CASH EQUIVALENTS, SEPTEMBER 30, 2014	$ -	$ -	$ -	$ -
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating loss	$ (1,074,708)	$ (244,626)	$ (1,319,334)	-
Adjustments:				
Depreciation	103,432	43,843	147,275	-
(Increase) decrease in operating assets:				
Accounts receivable	(69,232)	-	(69,232)	-
Interfund receivables	-	-	-	$ 57,205
Increase (decrease) in operating liabilities:				
Accounts payable	(4,090)	(54)	(4,144)	(60,000)
Accrued landfill closure and postclosure care costs	27,371	-	27,371	-
Accrued payroll	989	441	1,430	2,795
Compensated absences payable	509	1,921	2,430	-
Net cash used by operating activities	$ (1,015,729)	$ (198,475)	$ (1,214,204)	$ -

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2014

ASSETS	
Cash	$833,553
LIABILITIES	
Due to other entities and individuals	$833,553

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.

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

The County reports the following major governmental funds:

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

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

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

The County reports the following major enterprise funds:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

Additionally, the County reports the following fund types:

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

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

Component Units

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

Those discretely presented component units are:

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

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, 2014. Separate financial statements have been issued and are available from the Burke County Health Department.

Burke County Hospital Authority – This component unit column in the government-wide financial statements includes the financial data of the Burke County Hospital Authority. It is reported in a separate column to emphasize that it is legally separate from the County. Governed by a voting majority of board members appointed by the County, this entity receives funding from Burke County in the form of loan guarantees and appropriations. The County has guaranteed *Burke County Hospital Authority Taxable Note, Series 2013B* and *Burke County Hospital Authority Revenue Anticipation Series 2013A*, which are collateralized by the revenues and funds of the Authority, with the County's resources serving as the secondary source of repayment. The Hospital Authority has a May 31 year end, and the financial statements included herein are as of and for the year ended May 31, 2014. Separate financial statements have been issued and are available from the Burke County Hospital Authority.

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

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

Budgets and Budgetary Accounting

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Encumbrances

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

Cash and cash equivalents

For purposes of financial statement presentation, the County considers all highly liquid investments with an original maturity of three months or less, or with insignificant early withdrawal penalties, to be cash equivalents. Cash and cash equivalents include amounts in demand deposits and certificates of deposit at September 30, 2014.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Prepaid Items

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

Capital Assets

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

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

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

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

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

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

Compensated Absences

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

Interfund Transactions

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Long-Term Obligations

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows of resources as of September 30, 2014.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

The County applies restricted resources first when as expense is incurred for purposes for which both restricted and unrestricted net position is available.

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, 2014, the County had the following investments:

Investments	Maturities	Fair Value	Credit Rating
Primary Government:			
Georgia Fund 1	Average of 62 days WAM	$ 24,119,969	AAAf
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.

At September 30, 2014, the carrying amount of the County's deposits (checking and certificates of deposit) was $4,813,700 and the bank balance was $4,857,718. Of the bank balance, $1,380,473 was covered by federal depository insurance and $3,477,245 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 (checking and certificates of deposit) for the Development Authority of Burke County was $1,996,452, of which $250,000 was covered by federal depository insurance and $1,746,452 was collateralized by securities held by the pledging financial institution's trust department or agent in the Authority's name.

NOTE 2 – DEPOSITS AND INVESTMENTS – Continued

At June 30, 2014, the carrying amount of the Burke County Health Department's bank deposits was $503,818 and the bank balance was $536,455. Of the bank balance, $410,000 was covered by federal depository insurance and $126,455 was collateralized by securities held by the pledging financial institution's trust department or agent in the Health Department's name.

At May 31, 2014, the carrying amount of the Burke County Hospital Authority's bank deposits was $3,247,611 and the bank balance was $3,972,379. Of the bank balance, $305,491 was covered by federal depository insurance and $3,666,888 was uninsured and uncollateralized.

NOTE 3 – RECEIVABLES

Receivables at September 30, 2014, consisted of taxes, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectibility. The allowances for uncollectibles netted against receivables at September 30, 2014 follow:

Fund	Allowance for Uncollectibles
Fire Protection	$ 279,366
Solid Waste	1,339
General	117,555

NOTE 4 – PROPERTY TAXES

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

NOTE 4 – PROPERTY TAXES (continued)

Current year property taxes were levied on December 18, 2013, and due February 28, 2014. 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	6.578	3.562
Property tax levy	$ 14,960,056	$ 8,011,467
Property taxes receivable at September 30, 2014	$ 173,590	$ 65,454
Allowance for uncollectible accounts	(117,555)	(43,215)
Net property taxes receivable at September 30, 2014	$ 56,035	$ 22,239
Unavailable property tax revenue at September 30, 2014	$ 39,185	$ 14,405

NOTE 5 – PUBLIC UTILITIES TAX

Public Utility taxes accounted for approximately 76% of the current year tax digest.

NOTE 6 – CAPITAL ASSETS

Governmental capital asset activity for the year ended September 30, 2014, was as follows:

	Balance 10/01/13	Additions	Deductions	Balance 09/30/14
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 1,286,011	-	-	$ 1,286,011
Construction in progress	365,728	$ 911,269	-	1,276,997
Total capital assets not being depreciated	1,651,739	911,269	-	2,563,008
Capital assets being depreciated:				
Infrastructure	36,114,853	1,848,344	-	37,963,197
Buildings and improvements	19,163,035	74,795	-	19,237,830
Furniture, fixtures, and equipment	14,629,671	939,688	$ 188,130	15,381,229
Total capital assets being depreciated	69,907,559	2,862,827	188,130	72,582,256
Total capital assets	71,559,298	3,774,096	188,130	75,145,264
Accumulated depreciation:				
Infrastructure	21,101,136	1,441,520	-	22,542,656
Buildings and improvements	8,686,787	493,950	-	9,180,737
Furniture, fixtures, and equipment	12,280,595	779,190	188,130	12,871,655
Total accumulated depreciation	42,068,518	2,714,660	188,130	44,595,048
Governmental activities capital assets, net	$ 29,490,780	$ 1,059,436	$ -	$ 30,550,216

Depreciation expense was charged to functions as follows:

General government	$ 279,791
Public safety	573,100
Culture and recreation	171,902
Health and welfare	20,241
Public works	1,669,626
Total governmental activities depreciation expense	$ 2,714,660

NOTE 6 – CAPITAL ASSETS - Continued

Business-type capital asset activity for the year ended September 30, 2014 was as follows:

	Balance 10/01/13	Additions	Deductions	Balance 09/30/14
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 1,037,752	-	-	$ 1,037,752
Capital assets being depreciated:				
Buildings	97,410	$ 326,908	$ 55,520	368,798
Improvements other than buildings	92,283	-	-	92,283
Machinery and equipment	1,185,599	154,684	44,909	1,295,374
Total capital assets being depreciated	1,375,292	481,592	100,429	1,756,455
Total capital assets	2,413,044	481,592	100,429	2,794,207
Accumulated depreciation:				
Buildings	19,371	1,304	14,979	5,696
Improvements other than buildings	72,390	3,893	-	76,283
Machinery and equipment	497,308	142,078	43,469	595,917
Total accumulated depreciation	589,069	147,275	58,448	677,896
Business-type activities capital assets, net	$ 1,823,975	$ 334,317	$ 41,981	$ 2,116,311

Depreciation expense was charged as follows:

Solid Waste Fund	$ 103,432
Transit Fund	43,843
Total business-type activities depreciation expense	$ 147,275

NOTE 6 – CAPITAL ASSETS – Continued

Capital asset activity for the Development Authority component unit for the year ended September 30, 2014 was as follows:

	Balance 10/01/13	Additions	Deductions	Balance 09/30/14
Capital assets not being depreciated:				
Land	$ 21,852	-	-	$ 21,852
Land held for sale	4,628,389	-	-	4,628,389
Total capital assets not being depreciated	4,650,241	-	-	4,650,241
Capital assets being depreciated:				
Buildings	105,484	-	-	105,484
Machinery and equipment	21,639	$ 25,499	$ 21,639	25,499
Improvements	-	5,850	-	5,850
Total capital assets being depreciated	127,123	31,349	21,639	136,833
Accumulated depreciation:				
Buildings	28,349	2,637	-	30,986
Machinery and equipment	20,351	3,413	21,639	2,125
Improvements	-	195	-	195
Total accumulated depreciation	48,700	6,245	21,639	33,306
Development Authority capital assets, net	$4,728,664	$ 25,104	$ -	$4,753,768

Capital asset activity for the Health Department component unit for the year ended June 30, 2014 was as follows:

	Balance 07/01/13	Additions	Deductions	Balance 06/30/14
Capital assets being depreciated:				
Machinery and equipmnt	$ 169,074	-	$ -	$ 169,074
Accumulated depreciation:				
Machinery and equipment	157,734	$ 1,586	-	159,320
Health Department capital assets, net	$ 11,340	$ (1,586)	$ -	$ 9,754

NOTE 6 – CAPITAL ASSETS – Continued

Capital asset activity for the Hospital Authority component unit for the year ended May 31, 2014 was as follows:

	Balance 06/01/13	Additions	Deductions	Balance 05/31/14
Capital assets not being depreciated:				
Construction in progress	-	$ 9,560	-	9,560
Land	$ 66,705	-	-	$ 66,705
Total capital assets not being depreciated	66,705	9,560	-	76,265
Capital assets being depreciated:				
Buildings and improvements	10,870,319	-	-	10,870,319
Machinery and equipment	6,580,993	260,069	$ 4,334	6,836,728
Total capital assets being depreciated	17,451,312	260,069	4,334	17,707,047
Total capital assets at historical cost	17,518,017	269,629	4,334	17,783,312
Less accumulated depreciation	(13,746,237)	(511,018)	817	(14,256,438)
Hospital Authority capital asets, net	$ 3,771,780	$ (241,389)	$ 5,151	$ 3,526,874

NOTE 7 – LONG-TERM DEBT

The following is a summary of long-term debt activity for governmental activities and business type activities for the year ended September 30, 2014:

	Balance October 1, 2013	Additions	Reductions	Balance September 30, 2014	Amounts Due In One Year
Governmental Activities:					
Compensated absences payable	$ 482,584	$ 569,516	$ 530,559	$ 521,541	$ 52,154
Net pension obligation	1,861,613	1,423,265	999,167	2,285,711	-
Total Governmental Activities	$ 2,344,197	$ 1,992,781	$ 1,529,726	$ 2,807,252	$ 52,154

	Balance October 1, 2013	Additions	Reductions	Balance September 30, 2014	Amounts Due In One Year
Business-Type Activities:					
Compensated absences payable	$ 19,042	$ 20,217	$ 17,787	$ 21,472	$ 2,147
Accrued landfill closure and postclosure care costs	1,824,772	49,031	21,660	1,852,143	-
Total Business-Type Activities	$ 1,843,814	$ 69,248	$ 39,447	$ 1,873,615	$ 2,147

NOTE 7 – LONG-TERM DEBT – Continued

There were no short-term borrowings for governmental activities during the year ended September 30, 2014.

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

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Amounts Due In One Year
Health Department:					
Compensated absences payable	$ 31,716	$ 29,089	$ 29,668	$ 31,137	$ -

	Balance October 1, 2013	Additions	Reductions	Balance September 30, 2014	Amounts Due In One Year
Development Authority:					
Compensated absences payable	$ 7,934	$ 5,846	$ 5,133	$ 8,647	$ 865

	Balance June 1, 2013	Additions	Reductions	Balance May 31, 2014	Amounts Due In One Year
Hospital Authority:					
Line of credit	$ 2,004,675	$ 105,189	$ 2,004,675	$ 105,189	$ 105,189
Series 2013A Certificate	-	8,551,999	-	8,551,999	1,313,049
Series 2013B Taxable Note	-	252,500	-	252,500	36,951
Bridge loan	-	1,500,000	1,500,000	-	-
Total Hospital Authority	$ 2,004,675	$ 10,409,688	$ 3,504,675	$ 8,909,688	$ 1,455,189

NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

Excess expenditures over appropriations for the year ended September 30, 2014 were as follows:

	Overexpenditures
General Fund:	
State court - Community Service	$ 1,883
Probate Court	1,888
Coroner	1,314
Health department	13,052
Library	7,120
Burke Office Park	3,127

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

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

Expenditures exceeded appropriations for the Sheriff's Commissions special revenue fund, and the excess expenditures were funded by revenues in excess of amounts budgeted.

NOTE 9 – INTERFUND RECEIVABLES, INTERFUND PAYABLES AND TRANSFERS

A summary of interfund receivables and payables as of September 30, 2014, 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	$ 60,826
	Solid Waste	118,164
	Small grants	10,630
	Transit	177,799
Other capital projects	General	2,000,000
Sheriff's commissions	General	56,876
Fire protection	General	2,348,849
Accountability court	General	12,783
Vehicle maintenance	General	57,534
Facility maintenance	General	32,365
Total		$4,875,826

A summary of transfers for the year ended September 30, 2014 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	T-SPLOST Fund	Drug Treatment & Education Fund	SPLOST III Fund	Total
Fire Protection Fund	$ 800,000	-	-	-	$ 800,000
E911 Fund	61,921	-	-	-	61,921
Solid Waste Fund	810,820	-	-	$ 304,239	1,115,059
Transit Fund	72,011	$ 59,240	-	-	131,251
Accountability Court Fund	-	-	$ 5,860	-	5,860
SPLOST II Fund	282,086				282,086
Other Capital Projects Fund	2,000,000	-	-	-	2,000,000
Total	$4,026,838	$ 59,240	$ 5,860	$ 304,239	$4,396,177

NOTE 10 – FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2014, 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	$ 136,804	-	-	-	-	$ 136,804
Inventories	484,334	-	-	-	-	484,334
Total nonspendable	621,138	-	-	-	-	621,138
Restricted:						
Capital projects	-	-	$1,384,894	$8,062,474	$ 1,455,965	10,903,333
Fire protection	-	$2,233,660	-	-	-	2,233,660
Sheriff	-	-	-	-	61,989	61,989
Law library	-	-	-	-	6,456	6,456
Drug enforcement	-	-	-	-	1,091	1,091
Public library	-	-	-	-	56,426	56,426
Drug education	-	-	-	-	16,331	16,331
Jail	-	-	-	-	40,052	40,052
Emergency telephone system	-	-	-	-	47,487	47,487
Victims assistance	-	-	-	-	10,922	10,922
Juvenile services	-	-	-	-	2,207	2,207
Accountability court	-	-	-	-	12,525	12,525
Total restricted	-	2,233,660	1,384,894	8,062,474	1,711,451	13,392,479
Committed - Judicial Center	-	-	-	-	2,000,000	2,000,000
Unassigned	12,281,744	-	-	-	-	12,281,744
Total fund balances	$12,902,882	$2,233,660	$1,384,894	$8,062,474	$ 3,711,451	$ 28,295,361

NOTE 11 – 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 ACCG Defined Benefit Plan can be obtained at the following:

GEBCorp
400 Galleria Parkway
Suite 1250
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.

NOTE 11 – RETIREMENT PLAN – Continued

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in State of Georgia statutes.

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

Participant counts as of January 1, 2014 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees and beneficiaries	45
Deferred vested (former employees)	123
Disabled in pay status	8
Active participants	290
Total plan participants	466
Covered Compensation	$ 11,843,126

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.

NOTE 11 – RETIREMENT PLAN – Continued

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of actuarial accrued liability provides one indication of funded status on a going-concern basis.

Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater the percentage, the stronger the Plan.

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

The following is an analysis of pension plan funding progress:

Actuarial 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)
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%
December 31, 2012	13,777,398	19,661,882	70.1%	5,884,484	11,116,401	52.9%
December 31, 2013	15,707,565	21,541,906	72.9%	5,834,341	11,471,179	50.9%

NOTE 11 – RETIREMENT PLAN – Continued

The following schedule shows actuarial present value of accumulated plan benefits as of January 1, 2014 the most recent actuarial report available:

Vested:	
Retirees	$ 4,409,032
Deferred vested (former employees)	2,142,013
Vested active participants	12,400,850
Total	$ 18,951,895
Nonvested	764,797
Total	$ 19,716,692
Effect of service attribution and future salary increases	5,232,432
Total actuarial accrued liability	$ 24,949,124
Net assets available for benefits (including receivables)	$ 16,799,693
Net assets in excess of actuarial present value of accumulated plan benefits	$ (2,918,989)
Principal Actuarial Assumptions	
Investment return	7.50%
Rate of future salary increases (not applicable to accumulated plan benefit calculations)	3.5%-6.0%

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
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%
December 31, 2012	1,253,111	78.1%
December 31, 2013	1,433,361	69.7%

NOTE 11 – 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	$1,433,361
Interest on net pension obligation	144,275
Amortization of net pension obligation	(154,371)
Annual pension cost	1,423,265
Contributions made	(999,167)
Increase in net pension obligation	424,098
Net pension obligation, beginning of year	1,861,613
Net pension obligation, end of year	$2,285,711

Trend information for the plan is as follows:

Fiscal Year Beginning January 1	Annual Pension Cost	Actual County Contribution	Percentage Contributed	Net Pension Obligation
2011	$ 1,236,777	$ 1,083,769	88%	$1,120,201
2012	1,236,215	760,620	62%	1,595,796
2013	1,244,456	978,639	79%	1,861,613
2014	1,423,265	999,167	70%	2,285,711

The Plan information presented was determined as part of the actuarial valuation as of January 1, 2014. The following summarizes the actuarial methods and assumptions used in that valuation:

Current Valuation Date	January 1, 2014
Annual Return on Invested Plan Assets	7.50%
Projected Annual Salary Increases	3.5% - 6.0% 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)
Amortization Periods	15-30 years

NOTE 12 – ACCRUED LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and Federal laws and regulations require that the County perform certain maintenance and monitoring functions at its landfill site for thirty years after closure which occurred in 1999. In addition to operating expenditures related to current activities of the landfill, a liability is being recognized based on the future postclosure care costs that will be incurred in the next 20 years. The estimated liability for landfill postclosure care costs, which is recorded in the Solid Waste Enterprise Fund, has a balance of $1,852,143 as of September 30, 2014. This is based on 100% usage (filled) of the landfill. During 1998, the landfill reached full capacity. The estimated total current cost of the landfill postclosure care is based on the amount that would be paid if all

NOTE 12 – ACCRUED LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS – Continued

equipment, facilities, and services required to close, monitor, and maintain the landfill were incurred as of September 30, 2014. However, the actual cost of postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 13 – JOINT VENTURE

Under Georgia law, the County, in conjunction with the thirteen counties and forty-one cities in east Georgia known as the Central Savannah River Area (CSRA), is a member of the CSRA Regional Commission (CSRA RC). The CSRA RC is a public organization that assists local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. The operations are mainly financed by membership dues and financial assistance provided by the State of Georgia. Membership in the CSRA RC is required by the Official Code of Georgia Annotated (O.C.G.A,) §58-8-34 with annual dues based on a per capita amount. During the year ended September 30, 2014, 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 14 – HOTEL/MOTEL LODGING TAX

The County has levied a 5% lodging tax. There were no lodging taxes collected during the year ended September 30, 2014.

NOTE 15 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County maintains commercial insurance coverage covering those risks of loss. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. As of September 30, 2014, the County had recorded no liability for claims. The County is covered by commercial insurance.

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

NOTE 15 – RISK MANAGEMENT – Continued

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, 2014, are as follows:

Unpaid claims, October 1, 2013	$421,513
Incurred claims	66,230
Claim payments	(451,112)
Adjustments	318,889
Unpaid claims, September 30, 2014	$355,520

NOTE 16 – COMMITMENTS AND CONTINGENCIES

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

NOTE 17 – SUBSEQUENT EVENTS

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through March 27, 2015, the date the financial statements were available to be issued.

NOTE 18 – CONTINGENT LIABILITY FOR BURKE COUNTY HOSPITAL AUTHORITY

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

Total outstanding long-term debt for the Hospital Authority as of September 30, 2014 was $7,454,499. Scheduled principal and interest payments on this long-term debt are as follows:

Year ending September 30,	Principal	Interest	Total
2015	$1,350,000	$241,374	$1,591,374
2016	1,350,000	198,162	1,548,162
2017	1,350,000	153,867	1,503,867
2018	1,350,000	110,113	1,460,113
2019	1,350,000	66,359	1,416,359
2020	704,499	22,420	726,919
	$7,454,499	$792,295	$8,246,794

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Funds
ASSETS			
Cash	$ 205,937	$ 1,529,637	$ 1,735,574
Accounts receivable	61,395	-	61,395
Due from other funds	69,659	2,000,000	2,069,659
Intergovernmental receivable	30,526	126,172	156,698
TOTAL ASSETS	$ 367,517	$ 3,655,809	$ 4,023,326
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	$ 29,520	$ 199,844	$ 229,364
Accrued payroll	7,185	-	7,185
Unearned revenue	3,870	-	3,870
Due to other funds	71,456	-	71,456
Total liabilities	112,031	199,844	311,875
Fund balance:			
Restricted	255,486	1,455,965	1,711,451
Committed	-	2,000,000	2,000,000
Total fund balance	255,486	3,455,965	3,711,451
TOTAL LIABILITIES AND FUND BALANCE	$ 367,517	$ 3,655,809	$ 4,023,326

BURKE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Funds
REVENUES			
Taxes	-	$ 1,603,206	$ 1,603,206
Charges for services	$ 378,581	-	378,581
Fees, fines and forfeitures	133,478	-	133,478
Intergovernmental	158,187	-	158,187
Contributions and donations	4,789	-	4,789
Interest	125	5,139	5,264
Other	167,091	-	167,091
Total revenues	842,251	1,608,345	2,450,596
EXPENDITURES			
Current:			
Judicial	70,456	-	70,456
Public safety	607,039	-	607,039
Culture and recreation	82,532	-	82,532
Health and welfare	17,046	-	17,046
Capital outlay:			
Culture and recreation	7,730	-	7,730
Public safety	21,830	-	21,830
Public works	-	1,031,050	1,031,050
Total expenditures	806,633	1,031,050	1,837,683
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	35,618	577,295	612,913
OTHER FINANCING SOURCES (USES)			
Transfers in	67,781	2,000,000	2,067,781
Transfers out	(5,860)	(59,240)	(65,100)
Total other financing sources (uses)	61,921	1,940,760	2,002,681
NET CHANGE IN FUND BALANCES	97,539	2,518,055	2,615,594
FUND BALANCES, BEGINNING OF YEAR	157,947	937,910	1,095,857
FUND BALANCES, END OF YEAR	$ 255,486	$ 3,455,965	$ 3,711,451

CAPITAL PROJECTS FUNDS

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

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

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

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2014

	T-SPLOST Capital Projects Fund	Other Capital Projects Fund	Total Nonmajor Capital Projects Funds
ASSETS			
Cash	$ 1,529,637	-	$ 1,529,637
Due from other funds	-	$ 2,000,000	2,000,000
Intergovernmental receivable	126,172	-	126,172
TOTAL ASSETS	$ 1,655,809	$ 2,000,000	$ 3,655,809
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	$ 199,844	-	$ 199,844
Total liabilities	199,844	-	199,844
Fund balance:			
Restricted	1,455,965	-	1,455,965
Committed	-	$ 2,000,000	2,000,000
Total fund balance	1,455,965	2,000,000	3,455,965
TOTAL LIABILITIES AND FUND BALANCE	$ 1,655,809	$ 2,000,000	$ 3,655,809

BURKE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	T-SPLOST Capital Projects Fund	Other Capital Projects Fund	Total Nonmajor Capital Projects Funds
REVENUES			
Taxes	$ 1,603,206	-	$ 1,603,206
Interest	5,139	-	5,139
Total revenues	1,608,345	-	1,608,345
EXPENDITURES			
Capital outlay:			
Public works	1,031,050	-	1,031,050
Total expenditures	1,031,050	-	1,031,050
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	577,295	-	577,295
OTHER FINANCING SOURCES (USES)			
Transfers in	-	2,000,000	2,000,000
Transfers out	(59,240)	-	(59,240)
Total other financing sources (uses)	(59,240)	2,000,000	1,940,760
NET CHANGE IN FUND BALANCES	518,055	2,000,000	2,518,055
FUND BALANCES, BEGINNING OF YEAR	937,910	-	937,910
FUND BALANCES, END OF YEAR	$ 1,455,965	$ 2,000,000	$ 3,455,965

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	Law Library Fund	Drug Enforcement Fund	Drug Treatment & Education Fund	Public Library Fund	Small Grants Fund	Emergency Telephone System Fund	Jail Surcharge Fund
ASSETS							
Cash	$ 6,456	$ 1,091	$ 16,247	$ 56,426	-	$ 57,402	$ 40,052
Accounts receivable	-	-	-	-	-	61,395	-
Due from other funds	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	84	-	$ 21,526	-	-
TOTAL ASSETS	$ 6,456	$ 1,091	$ 16,331	$ 56,426	$ 21,526	$ 118,797	$ 40,052
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	-	-	-	-	$ 7,026	$ 3,299	-
Accrued payroll	-	-	-	-	-	7,185	-
Unearned revenue	-	-	-	-	3,870	-	-
Due to other funds	-	-	-	-	10,630	60,826	-
Total liabilities	-	-	-	-	21,526	71,310	-
Fund balance:							
Restricted	$ 6,456	$ 1,091	$ 16,331	$ 56,426	-	47,487	$ 40,052
Total fund balance	6,456	1,091	16,331	56,426	-	47,487	40,052
TOTAL LIABILITIES AND FUND BALANCE	$ 6,456	$ 1,091	$ 16,331	$ 56,426	$ 21,526	$ 118,797	$ 40,052

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	Victims Assistance Fund	Supplemental Juvenile Services Fund	Sheriff's Commissions Fund	Accountability Court Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash	$ 10,149	$ 2,457	$ 15,657	-	$ 205,937
Accounts receivable	-	-	-	-	61,395
Due from other funds	-	-	56,876	$ 12,783	69,659
Intergovernmental receivable	773	-	-	8,143	30,526
TOTAL ASSETS	$ 10,922	$ 2,457	$ 72,533	$ 20,926	$ 367,517
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	$ 250	$ 10,544	$ 8,401	$ 29,520
Accrued payroll	-	-	-	-	7,185
Unearned revenue	-	-	-	-	3,870
Due to other funds	-	-	-	-	71,456
Total liabilities	-	250	10,544	8,401	112,031
Fund balance:					
Restricted	$ 10,922	2,207	61,989	12,525	255,486
Total fund balance	10,922	2,207	61,989	12,525	255,486
TOTAL LIABILITIES AND FUND BALANCE	$ 10,922	$ 2,457	$ 72,533	$ 20,926	$ 367,517

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Law Library Fund	Drug Enforcement Fund	Drug Treatment & Education Fund	Public Library Fund	Small Grants Fund	Emergency Telephone System Fund	Jail Surcharge Fund
REVENUES							
Charges for services	-	-	-	$ 6,618	-	$ 371,963	-
Fees, fines and forfeitures	$ 8,360	$ 832	$ 21,203	10,097	-	-	$ 37,607
Intergovernmental	-	-	-	96,023	$ 54,021	-	-
Contributions and donations	-	-	-	-	4,789	-	-
Interest	-	-	2	45	-	55	13
Other	-	-		3,538	-	-	-
Total revenues	8,360	832	21,205	116,321	58,810	372,018	37,620
EXPENDITURES							
Current:							
Judicial	10,163	-	-	-	24,493	-	-
Public safety	-	-	2,790	-	32,871	433,939	-
Culture and recreation	-	-	-	82,532	-	-	-
Health and welfare	-	-	-	-	1,446	-	-
Capital outlay:							
Culture and recreation	-	-	-	7,730	-	-	-
Public safety	-	-	-	-	-	-	21,830
Total expenditures	10,163	-	2,790	90,262	58,810	433,939	21,830
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,803)	832	18,415	26,059	-	(61,921)	15,790
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	61,921	-
Transfers out	-	-	(5,860)	-	-	-	-
Total other financing sources (uses)	-	-	(5,860)	-	-	61,921	-
NET CHANGE IN FUND BALANCES	(1,803)	832	12,555	26,059	-	-	15,790
FUND BALANCES, BEGINNING OF YEAR	8,259	259	3,776	30,367	-	47,487	24,262
FUND BALANCES, END OF YEAR	$ 6,456	$ 1,091	$ 16,331	$ 56,426	$ -	$ 47,487	$ 40,052

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Victims Assistance Fund	Supplemental Juvenile Services Fund	Sheriff's Commissions Fund	Accountability Court Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Charges for services	-	-	-	-	$ 378,581
Fees, fines and forfeitures	$ 26,376	$ 1,555	-	$ 27,448	133,478
Intergovernmental	-	-	-	8,143	158,187
Contributions and donations	-	-	-	-	4,789
Interest	3	7	-	-	125
Other	-	-	$ 163,553	-	167,091
Total revenues	26,379	1,562	163,553	35,591	842,251
EXPENDITURES					
Current:					
Judicial	-	6,874	-	28,926	70,456
Public safety	-	-	137,439	-	607,039
Culture and recreation	-	-	-	-	82,532
Health and welfare	15,600	-	-	-	17,046
Capital outlay:					
Culture and recreation	-	-	-	-	7,730
Public safety	-	-	-	-	21,830
Total expenditures	15,600	6,874	137,439	28,926	806,633
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,779	(5,312)	26,114	6,665	35,618
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	5,860	67,781
Transfers out	-	-	-	-	(5,860)
Total other financing sources (uses)	-	-	-	5,860	61,921
NET CHANGE IN FUND BALANCES	10,779	(5,312)	26,114	12,525	97,539
FUND BALANCES, BEGINNING OF YEAR	143	7,519	35,875	-	157,947
FUND BALANCES, END OF YEAR	$ 10,922	$ 2,207	$ 61,989	$ 12,525	$ 255,486

BURKE COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees, and forfeitures	$ 10,000	$ 8,360	$ (1,640)
EXPENDITURES			
Current:			
Judicial	21,000	10,163	10,837
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,000)	(1,803)	9,197
FUND BALANCES, BEGINNING OF YEAR	8,259	8,259	-
FUND BALANCES, END OF YEAR	$ (2,741)	$ 6,456	$ 9,197

BURKE COUNTY, GEORGIA

DRUG ENFORCEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	-	$ 832	$ 832
EXPENDITURES			
Current:			
Public safety	$ 250	-	250
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(250)	832	1,082
FUND BALANCES, BEGINNING OF YEAR	259	259	-
FUND BALANCES, END OF YEAR	$ 9	$ 1,091	$ 1,082

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, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fines, fees and forfeitures	$ 6,000	$ 9,000	$ 21,203	$ 12,203
Interest	60	60	2	(58)
Total revenues	6,060	9,060	21,205	12,145
EXPENDITURES				
Current:				
Public safety	2,000	5,000	2,790	2,210
Total expenditures	2,000	5,000	2,790	2,210
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,060	4,060	18,415	14,355
OTHER FINANCING USES				
Transfers out	(5,860)	(5,860)	(5,860)	-
NET CHANGE IN FUND BALANCES	(1,800)	(1,800)	12,555	14,355
FUND BALANCES, BEGINNING OF YEAR	3,776	3,776	3,776	-
FUND BALANCES, END OF YEAR	$ 1,976	$ 1,976	$ 16,331	$ 14,355

BURKE COUNTY, GEORGIA
PUBLIC LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	$ 85,700	$ 96,023	$ 10,323
Charges for services	6,500	6,618	118
Fines	13,350	10,097	(3,253)
Donations	1,500	-	(1,500)
Interest	150	45	(105)
Other	2,200	3,538	1,338
Total revenues	109,400	116,321	6,921
EXPENDITURES			
Current:			
Culture and recreation	109,400	82,532	26,868
Capital outlay:			
Culture and recreation	-	7,730	(7,730)
Total expenditures	109,400	90,262	19,138
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	26,059	33,789
FUND BALANCES, BEGINNING OF YEAR	30,367	30,367	-
FUND BALANCES, END OF YEAR	$ 30,367	$ 56,426	$ 33,789

BURKE COUNTY, GEORGIA
SMALL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 49,439	$ 67,439	$ 54,021	$ (13,418)
Donations	2,500	2,500	4,789	2,289
Total revenues	51,939	69,939	58,810	(11,129)
EXPENDITURES				
Current:				
Public safety	18,739	56,739	32,871	23,868
Judicial	30,700	30,700	24,493	6,207
Health and welfare	2,500	2,500	1,446	1,054
Total expenditures	51,939	89,939	58,810	31,129
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(20,000)	-	20,000
OTHER FINANCING USES				
Transfers in	-	90,000	-	(90,000)
Transfers out	-	(70,000)	-	70,000
Total other financing source (uses)	-	20,000	-	(20,000)
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, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	$ 370,000	$ 371,963	$ 1,963
Interest	150	55	(95)
Total revenues	370,150	372,018	1,868
EXPENDITURES			
Current:			
Public safety	479,100	433,939	45,161
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(108,950)	(61,921)	47,029
OTHER FINANCING SOURCES			
Transfers in	103,950	61,921	42,029
NET CHANGE IN FUND BALANCES	(5,000)	-	89,058
FUND BALANCES, BEGINNING OF YEAR	47,487	47,487	-
FUND BALANCES, END OF YEAR	$ 42,487	$ 47,487	$ 47,029

BURKE COUNTY, GEORGIA
JAIL SURCHARGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	$ 25,000	$ 37,607	$ 12,607
Interest	50	13	(37)
Total revenues	25,050	37,620	12,570
EXPENDITURES			
Capital outlay:			
Public safety	32,150	21,830	10,320
Total expenditures	32,150	21,830	10,320
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,100)	15,790	22,890
FUND BALANCES, BEGINNING OF YEAR	24,262	24,262	-
FUND BALANCES, END OF YEAR	$ 17,162	$ 40,052	$ 22,890

BURKE COUNTY, GEORGIA

VICTIMS ASSISTANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 10,000	$ 26,376	$ 16,376
Interest	-	3	3
Total revenues	10,000	26,379	16,379
EXPENDITURES			
Current:			
Health and welfare	15,600	15,600	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,600)	10,779	16,379
FUND BALANCES, BEGINNING OF YEAR	143	143	-
FUND BALANCES, END OF YEAR	$ (5,457)	$ 10,922	$ 16,379

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, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 4,500	$ 1,555	$ (2,945)
Interest	-	7	7
Total revenues	4,500	1,562	(2,938)
EXPENDITURES			
Current:			
Judicial	11,900	6,874	5,026
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,400)	(5,312)	2,088
FUND BALANCES, BEGINNING OF YEAR	7,519	7,519	-
FUND BALANCES, END OF YEAR	$ 119	$ 2,207	$ 2,088

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, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Vendor commissions	$ 6,000	$ 44,800	$ 163,553	$ 118,753
EXPENDITURES				
Current:				
Public safety	6,000	44,800	137,439	(92,639)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	26,114	26,114
FUND BALANCES, BEGINNING OF YEAR	35,875	35,875	35,875	-
FUND BALANCES, END OF YEAR	$ 35,875	$ 35,875	$ 61,989	$ 26,114

BURKE COUNTY, GEORGIA

ACCOUNTABILITY COURTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fines, fees and forfeitures	$ -	$ 47,900	$ 27,448	$ (20,452)
Intergovernmental	-	44,900	8,143	(36,757)
Total revenues	-	92,800	35,591	(57,209)
EXPENDITURES				
Current:				
Judicial	-	97,800	28,926	68,874
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(5,000)	6,665	11,665
OTHER FINANCING USES				
Transfers in	-	5,000	5,860	860
NET CHANGE IN FUND BALANCES	-	-	12,525	12,525
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ 12,525	$ 12,525

INTERNAL SERVICE FUNDS

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

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

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

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2014

	Vehicle Maintenance	Facilities Maintenance	Total
ASSETS			
Current Assets:			
Interfund receivable	$ 57,534	$ 32,365	$ 89,899
LIABILITIES			
Current Liabilities:			
Accounts payable	44,730	25,423	70,153
Accrued payroll	12,804	6,942	19,746
Total Current Liabilities	57,534	32,365	89,899
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, 2014

	Vehicle Maintenance	Facilities Maintenance	Total
OPERATING REVENUES			
Charges for services	$ 2,330,064	$ 703,202	$ 3,033,266
OPERATING EXPENSES			
Salaries	434,705	245,592	680,297
Employee benefits	159,560	84,624	244,184
Purchased services	134,078	170,951	305,029
Materials and supplies	1,601,721	202,035	1,803,756
TOTAL OPERATING EXPENSES	2,330,064	703,202	3,033,266
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, 2014

	Vehicle Maintenance	Facilities Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund charges	$ 2,344,863	$ 745,608	$ 3,090,471
Cash payments to employees for salaries and benefits	(592,272)	(329,414)	(921,686)
Cash payments for goods and services	(1,752,591)	(416,194)	(2,168,785)
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	$ 14,799	$ 42,406	$ 57,205
Accounts payable	(16,792)	(43,208)	(60,000)
Accrued payroll	1,993	802	2,795
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, 2014

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Total
ASSETS						
Cash	$ 680,382	$ -	$ 104,819	$ 52	$ 48,300	$ 833,553
LIABILITIES						
Due to other entities and individuals	$ 680,382	$ -	$ 104,819	$ 52	$ 48,300	$ 833,553

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Tax Commissioner				
Assets				
Cash	$ 608,616	$ 59,946,326	$ 59,874,560	$ 680,382
Liabilities				
Due to other entities and individuals	$ 608,616	$ 59,946,326	$ 59,874,560	$ 680,382
Probate Court				
Assets				
Cash	$ -	$ 45,453	$ 45,453	$ -
Liabilities				
Due to other entities and individuals	$ -	$ 45,453	$ 45,453	$ -
Clerk of Courts				
Assets				
Cash	$ 97,645	$ 1,091,120	$ 1,083,946	$ 104,819
Liabilities				
Due to other entities and individuals	$ 97,645	$ 1,091,120	$ 1,083,946	$ 104,819
Magistrate Court				
Assets				
Cash	$ 123	$ 200,807	$ 200,878	$ 52
Liabilities				
Due to other entities and individuals	$ 123	$ 200,807	$ 200,878	$ 52
Sheriff				
Assets				
Cash	$ 27,832	$ 388,201	$ 367,733	$ 48,300
Liabilities				
Due to other entities and individuals	$ 27,832	$ 388,201	$ 367,733	$ 48,300
Total Agency Funds				
Assets				
Cash	$ 734,216	$ 61,671,907	$ 61,572,570	$ 833,553
Liabilities				
Due to other entities and individuals	$ 734,216	$ 61,671,907	$ 61,572,570	$ 833,553

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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	$ 1,000,000	-	$ 1,000,000	100%
Industrial park	1,000,000	1,070,195	1,070,195	-	1,070,195	100%
Building construction and renovations	1,500,000	1,500,000	1,500,000	-	1,500,000	100%
Hospital projects	1,500,000	2,633,201	2,633,201	-	2,633,201	100%
Roads, streets, and bridges	5,257,673	8,318,975	6,552,857	$ 382,228	6,935,085	83%
Waynesboro						
Water, sewer, and storm drainage system/building renovations	4,301,605	6,057,064	6,057,064	-	6,057,064	100%
Sardis						
Capital equipment/building renovation/ streets, drainage, and sidewalks	992,000	1,397,783	1,397,783	-	1,397,783	100%
Midville						
Building renovations/water and sewer improvements and equipment	496,339	698,893	698,893	-	698,893	100%
Keysville						
Water system improvements/building renovations	330,893	465,925	465,925	-	465,925	100%
Girard						
Building renovations/equipment shed/ holiday decorations/walking path	165,446	232,964	232,964	-	232,964	100%
	$ 16,543,956	$ 23,375,000	$ 21,608,882	382,228	$ 21,991,110	94%
Roads, streets, and bridge costs funded by general fund				282,086		
SPLOST II fund total expenditures				$ 664,314		

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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	$ 12,076	$ 200,000	$ 212,076	1%
Jail addition	2,000,000	-	-	-	0%
Burke County					
EOC/911 center	2,000,000	12,366	13,423	25,789	1%
Recreation improvements	1,000,000	143,854	22,900	166,754	17%
Industrial Park expansion	2,500,000	348,620	269,962	618,582	25%
Building construction and renovations	1,500,000	-	-	-	0%
Airport projects	200,000	6,442	19,943	26,385	13%
Roads and bridges projects and equipment	8,040,000	325,995	346,074	672,069	8%
Firetrucks	1,500,000	-	-	-	0%
Ambulances	600,000	-	-	-	0%
Patrol cars	500,000	80,078	30,829	110,907	22%
Water and sewer improvements	6,000,000	-	-	-	0%
Landfill building projects	340,000	-	304,238	304,238	89%
Waynesboro					
Water & sewer improvements, roads, streets, sidewalks, drainage improvements, buildings, patrol vehicles and utility equipment	10,140,000	1,414,001	1,094,965	2,508,966	25%
Sardis					
Water, sewer, and street improvements, recreation and beautification projects, capital equipment	2,340,000	326,307	252,684	578,991	25%
Midville					
Water and sewer system improvements, street improvements and major equipment, major police equipment, City Hall equipment, Community House improvements	1,170,000	163,154	126,342	289,496	25%
Keysville					
Water and sewer system projects, Multi-purpose building project, street & drainage improvements and equipment	780,000	108,769	84,228	192,997	25%
Girard					
Waterworks improvements, building renovations and additions, street and sidewalk improvements	390,000	54,384	42,114	96,498	25%
	$ 56,000,000	$ 2,996,046	2,807,702	$ 5,803,748	10%
Transfers out to solid waste enterprise fund			(304,239)		
Airport projects funded by federal and state grant funds			677,903		
Roads, streets, and bridge costs funded by state LMIG program			129,900		
SPLOST III fund total expenditures			$ 3,311,266		

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

To the Board of Commissioners
Burke County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Burke County, Georgia, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Burke County, Georgia's basic financial statements and have issued our report thereon dated March 27, 2015. Our report includes a reference to other auditors who audited the financial statements of the Burke County Board of Health (Health Department) and the Burke County Hospital Authority, discretely presented component units, as described in our report on Burke County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Burke County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Burke County's internal control. Accordingly, we do not express an opinion on the effectiveness of Burke County, Georgia's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Thigpen, Lanier, Westerfield & Deal

Statesboro, Georgia
March 27, 2015

BURKE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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	$ 90,091
Nutrition Services Incentive Program	93.053	Not Available	7,325
Total U.S. Department of Health and Human Services			97,416
U.S. Department of Justice:			
Direct Programs:			
Edward Byrne Justice Assistance Grant	16.738	2010-DJ-BX-1585	5,232
Edward Byrne Justice Assistance Grant	16.738	2013-DJ-BX-0808	12,139
Total U.S. Department of Justice			17,371
U.S. Department of Homeland Security:			
Pass through program from Georgia Emergency Management Agency for Emergency Management Performance Grants	97.042	OEM 13-017S01	6,995
Pass through program from Georgia Emergency Management Agency for Emergency Management Performance Grants	97.042	OEM 13-017S02	500
			7,495
Federal Emergency Management Agency Federal Disaster Assistance Programs Cat B	97.036	FEMA-4165-DR-GA PA ID#033-99033-00	20,279
Federal Emergency Management Agency Federal Disaster Assistance Programs Cat A 0-30 days	97.036	FEMA-4165-DR-GA PA ID#033-99033-00	397,433
Federal Emergency Management Agency Federal Disaster Assistance Programs Cat A 31-90 days	97.036	FEMA-4165-DR-GA PA ID#033-99033-00	478,511
			896,223
Federal Emergency Management Agency Hazard Mitigation Planning Grant	97.039	HMGP-1973-0002	14,500
Total U.S. Department of Homeland Security			918,218
U.S. Department of Agriculture:			
Pass through program from Georgia Association of Conservation District Supervisors, Inc.: National Resources Conservation Service Environmental Quality Incentive Program (EQIP)	10.912	GACDS-02-12-002	14,205
U.S. Department of Transportation:			
Pass-through programs from Georgia Department of Transportation:			
Section 5311 Rural Public Transportation	20.509	T004924 GA-18-X033	35,204
Section 5311 Rural Public Transportation	20.509	T005108 GA-18-X033	19,342
Section 5311 Rural Public Transportation	20.509	T004708 GA-18-4028	55,871
			110,417
Airport Improvement Program	20.106	AP014-9019-14(033) PID - T005028	662,397
Total U.S. Department of Transportation			772,814
Total expenditures of federal awards			$ 1,820,024

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, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit 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.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Commissioners
Burke County, Georgia

Report on Compliance for Each Major Federal Program

We have audited Burke County, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Burke County, Georgia's major federal programs for the year ended September 30, 2014. Burke County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Burke County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Burke County, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, Burke County, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control over Compliance

Management of Burke County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Burke County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Thigpen, Lanier, Waterfield & Dal

Statesboro, Georgia
March 27, 2015

SUMMARY OF AUDITOR'S RESULTS

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

2. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements and 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*.

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

4. No significant deficiencies or material weaknesses in internal control over major federal award programs were reported in the Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.

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

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

7. The programs tested as major programs were Federal Disaster Assistance Programs, CFDA number 97.036, and Airport Improvement Program, CFDA number 20.106.

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

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

FINDINGS – FINANCIAL STATEMENT AUDIT

None reported

FINDING AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported.