BURKE COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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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, 2017, 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% and .4%, 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 5.9% and 1.9%, 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% and .4%, 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 5.9% and 1.9%, 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, 2017, and the respective budgetary comparison for the General Fund and the Fire Protection Special Revenue Fund for the year 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 and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our 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 schedule of projects paid with SPLOST proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 27, 2018, on our consideration of the Burke County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Burke County, Georgia's internal control over financial reporting and compliance.

Lanier, Deal + Proctor

Statesboro, Georgia
March 27, 2018

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, 2017 and 2016. This discussion and analysis is designed to look at the Government's financial performance as a whole. Readers should also review the complete financial statements, with notes, which follow this narrative, for a better understanding of the Government's financial performance.

Overview of the Financial Statements

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

Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

Governmental Funds

Most of the basic services provided by the Government are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, these funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified-accrual accounting, which focuses on current financial resources. Such information may be useful in evaluating the government's short-term financing requirements. These statements provide a detailed short-term view of the Government's finances that assists in determining whether there will be adequate financial resources available to meet the Government's current needs. The relationship between government activities in the government-wide financial statements and the governmental funds financial statements is described in a reconciliation that is a part of the fund financial statements.

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

Proprietary Funds

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

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

Fiduciary Funds

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

Government-wide Financial Analysis

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

Net Position

Net Position may serve over time as one useful indicator of a government's financial condition. The assets of the Government exceeded liabilities by $79.4 million and $69 million as of September 30, 2017 and September 30, 2016, respectively.

The largest portion of Burke County's net position, 52.8% in 2017 and 56.8% in 2016, 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, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 52,766,468	$ 43,590,297	$ (53,691)	$ (69,935)	$ 52,712,777	$ 43,520,362
Capital assets	39,469,334	36,866,893	2,474,047	2,367,272	41,943,381	39,234,165
Total assets	92,235,802	80,457,190	2,420,356	2,297,337	94,656,158	82,754,527
Deferred Outflows of Resources						
Resources related to pensions	4,078,682	3,829,708	105,581	139,921	4,184,263	3,969,629
Long-term liabilities outstanding	12,857,649	12,245,759	2,276,002	2,328,776	15,133,651	14,574,535
Other liabilities	3,533,406	3,013,359	235,497	108,482	3,768,903	3,121,841
Total liabilities	16,391,055	15,259,118	2,511,499	2,437,258	18,902,554	17,696,376
Deferred Inflows of Resources						
Resources related to pensions	499,161	-	14,438	-	513,599	-
Net position:						
Invested in capital assets	39,469,334	36,866,893	2,474,047	2,367,272	41,943,381	39,234,165
Restricted for:						
Capital projects	22,704,181	18,696,091			22,704,181	18,696,091
Other purposes	5,236,295	3,661,697			5,236,295	3,661,697
Unrestricted	12,014,458	9,803,099	(2,474,047)	(2,367,272)	9,540,411	7,435,827
Total net position	$ 79,424,268	$ 69,027,780	$ -	$ -	$ 79,424,268	$ 69,027,780

The balance of unrestricted net position, 12% in 2017 and 10.8% in 2016, may be used to meet the Government's ongoing obligations to citizens and creditors.

The Government's net position increased by $10,396,488 and $8,459,835 during the fiscal years ended September 30, 2017 and 2016, respectively.

Governmental activities

Governmental activities increased Burke County's net position by $10,396,488 in 2017 and $8,459,835 in 2016 thereby accounting for 100% in 2017 and 100% in 2016 of the total change in the net position of Burke County. The key factors for 2017 was an increase in the tax digest offset somewhat by a major increase in public safety spending in the Sheriff's Office. The major factor in 2016 was an increase in the tax digest.

Business-type activities

Business-type activities increased Burke County's net position by $0 in 2017 and $0 in 2016, accounting for 0% in 2017 and 0% in 2016 of the total change in the government's net position.

Burke County's Changes in Net Position
September 30, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	Fiscal Year Ended September 30, 2017	Fiscal Year Ended September 30, 2016	Fiscal Year Ended September 30, 2017	Fiscal Year Ended September 30, 2016	Fiscal Year Ended September 30, 2017	Fiscal Year Ended September 30, 2016
Revenues:						
Program revenues:						
Fees, Fines, and Charges for services	$ 4,243,151	$ 4,418,649	$ 722,352	$ 723,000	$ 4,965,503	$ 5,141,649
Operating grants and contributions	500,042	467,872	158,729	62,949	658,771	530,821
Capital grants and contributions	971,277	704,020	76,934	75,026	1,048,211	779,046
General revenues:						
Property taxes	29,597,764	25,429,637	-	-	29,597,764	25,429,637
Other taxes	13,604,366	12,704,256	-	-	13,604,366	12,704,256
Other	391,414	255,541	-	-	391,414	255,541
Total revenues	49,308,014	43,979,975	958,015	860,975	50,266,029	44,840,950
Expenses:						
General government	2,335,680	2,455,698	-	-	2,335,680	2,455,698
Judicial	2,179,061	2,004,927	-	-	2,179,061	2,004,927
Public safety	17,058,398	14,469,972	-	-	17,058,398	14,469,972
Culture and recreation	1,778,176	1,708,266	-	-	1,778,176	1,708,266
Health and welfare	5,432,578	5,374,293	-	-	5,432,578	5,374,293
Public works	7,721,783	7,221,578	-	-	7,721,783	7,221,578
Housing and development	1,149,240	1,122,155	-	-	1,149,240	1,122,155
Interest on long-term debt	-	-	-	-	-	-
Solid Waste	-	-	1,823,975	1,761,425	1,823,975	1,761,425
Transit	-	-	391,078	340,748	391,078	340,748
Total expenses	37,654,916	34,356,889	2,215,053	2,102,173	39,869,969	36,459,062
Change in net position before transfers	11,653,098	9,623,086	(1,257,038)	(1,241,198)	10,396,060	8,381,888
Gain (Loss) on sale of capital assets	428	67,999	-	9,948	428	77,947
Transfers	(1,257,038)	(1,231,250)	1,257,038	1,231,250	-	-
Increase (Decrease) in net position	10,396,488	8,459,835	-	-	10,396,488	8,459,835
Net position, beginning of year	69,027,780	60,567,945	-	-	69,027,780	60,567,945
Net position, end of year	$ 79,424,268	$ 69,027,780	$ -	$ -	$ 79,424,268	$ 69,027,780

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 $48.3 million in 2017 and $40 million in 2016, of which $15.1 million in 2017, or 31.3% and $15.7 million in 2016, or 39.6%, was unassigned.

General Fund

The General Fund is the primary operating fund of the Government. At the end of the current fiscal year, unassigned fund balance of the general fund was $15.2 million in 2017 and $15.7 million in 2016, while total fund balance was $20.5 million in 2017 and $17.3 million in 2016. 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 57.4% in 2017 and 67.6% in 2016 of total General Fund expenditures and net transfers out. Total fund balance represents 77.4% in 2017 and 74.6% in 2016 of that same amount.

The fund balance of Burke County's General Fund increased by $3,123,036 and $3,179,195 during the fiscal years ended September 30, 2017 and 2016, respectively. The key factors in the changes were increased property tax revenues offset somewhat by increased public safety spending in the Sheriff's Office in 2017 and increased property tax revenues in 2016.

Capital Projects Funds

The Government uses Capital Projects Funds to account for the acquisition and construction of major capital facilities that are not financed by Proprietary Funds. A major fund in the fund financial statements is the Special Purpose Local Option Sales Tax III Fund. The proceeds of the special purpose 1% sales tax (SPLOST 3) are accounted for in this Capital Projects Fund until expenditures are incurred. The increase in fund balance of $1,589,537 in 2017 and $1,903,116 in 2016 was due to the timing difference of collections versus expenditures of major projects.

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 $1,724,401 in 2017 and $717,050 in 2016 due primarily to increased property tax revenues in 2017 and 2016.

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, 2017 and 2016, respectively. Net position in the Burke Transit Fund amounted to $0 for the fiscal years ended September 30, 2017 and 2016, respectively. The total change in net position in the Solid Waste Fund was $0 in 2017 and $0 in 2016. The total change in net position in the Burke Transit Fund was $0 for the fiscal years ended September 30, 2017 and 2016, respectively. The Government's internal service funds, Vehicle Maintenance Fund and Facility Maintenance Fund, had a net position of $841,662 in 2017 and $841,662 in 2016 and total growth in net position of $0 in 2017 and $0 during 2016.

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 2017, there were several changes to the final budget from the original budget. Many were insignificant changes, but the primary change to the final budget from the original budget was an increase as of January 1, 2017 of budgeted property taxes of $1,765,332 and a corresponding increase to public safety expenditures for the Sheriff's Office for salaries and benefits for 30 additional staff members. In addition, there were increases for benefits for these positions, vehicles, fuel, and other expenses related to the increase in personnel. Actual revenues were $1,881,182 over budget primarily due to property tax revenues coming in over budget by $897,402 and local option sales taxes exceeding budget by $534,465 attributable to positive economic factors in the area. Actual expenditures were $2,778,965 under budget (budget basis), primarily the result of few unexpected major expenditures occurring during the fiscal year that would have caused major uses of contingency funds and the delay until fiscal year 2018 of the creation of the Animal Services Department. Animal Services is now a functioning department of the County in fiscal year 2018.

For 2016, the only difference between the original budget and the final amended budget was an increase in donations for $3,000 and a corresponding increase in the County Extension Service's budget of $3,000 to account for a donation of cash used to purchase a trailer. Actual revenues were $1,288,093 over budget primarily due to sales tax revenues coming in over budget by $515,029 and licenses and permits exceeding budget by $562,209 due to a major permitting project completed in 2016 in the County. Actual expenditures were $2,516,796 under budget (budget basis), primarily the result of no unexpected major expenditures occurring during the fiscal year that would have caused a use of contingency funds.

Capital Assets and Debt Administration

Burke County's investment in capital assets for its governmental and business-type activities as of September 30, 2017 and 2016 amounted to $41,943,381 and $39,234,165, 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 2017 included the following:

- SPLOST-funded portion of road construction and equipment in the amount of $718,270
- General fund-funded portion of road construction in the amount of $130,155
- SPLOST-funded purchase of patrol cars of $26,036
- General fund-funded purchase of patrol cars of $510,675
- SPLOST-funded beginning of construction of a new Judicial Center in the amount of $1,780,640
- SPLOST-funded improvements of land and grading for future development of an EOC in the amount of $329,289
- Local Maintenance & Improvement Grant-funded portion of road construction in the amount of $255,617
- TSPLOST-funded road resurfacing projects and equipment in the amount of $501,750
- SPLOST fund purchase of a firetruck in the amount of $246,996
- Fire fund purchase of a firetruck for $246,996
- SPLOST-funded renovations to various County buildings in the amount of $120,521
- SPLOST-funded purchase of two ambulances in the amount of $269,000

Major capital asset transactions during 2016 included the following:

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

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, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Construction in progress	$ 3,011,076	$ 774,331	-	-	$ 3,011,076	$ 774,331
Land	3,163,931	3,594,933	$ 1,037,752	$ 1,037,752	4,201,683	4,632,685
Buildings	10,524,950	10,214,213	284,084	354,719	10,809,034	10,568,932
Improvements	-	-	25,671	30,412	25,671	30,412
Equipment	5,426,204	4,433,853	1,126,540	944,389	6,552,744	5,378,242
Infrastructure	17,343,173	17,849,563	-	-	17,343,173	17,849,563
Total	$ 39,469,334	$ 36,866,893	$ 2,474,047	$ 2,367,272	$ 41,943,381	$ 39,234,165

Long-Term Debt

Burke County had a total of $15,214,824 in outstanding long-term debt as of September 30, 2017 and $14,647,059 in outstanding long-term debt as of September 30, 2016. 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, 2017 and 2016. There were no bonds issued during 2017 or 2016.

Burke County's Outstanding Debt
General Obligation Bonds and Other Debt
September 30, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Accrued compensated absences	$ 596,599	$ 514,492	$ 17,728	$ 20,877	$ 614,327	$ 535,369
Net pension obligation	12,320,710	11,782,716	356,379	430,249	12,677,089	12,212,965
Landfill closure costs	-	-	1,923,408	1,898,725	1,923,408	1,898,725
Total debt	$ 12,917,309	$ 12,297,208	$ 2,297,515	$ 2,349,851	$ 15,214,824	$ 14,647,059

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 $365 million.

The Hospital Authority applied for a loan during the fiscal year ended September 30, 2014 for up to $10,000,000 to assist with short-term operating cash. The financial institution issuing the loan required a guaranty by the County to ensure repayment of the debt. Principal payments of $1,500,000 have been made by the Hospital Authority each of the past four fiscal years after the County has made an appropriation payment to the Authority during the fiscal year for the same amount.

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

Economic Factors and Next Year's Budget

The economy in Burke County continues to be strong. Employment is up. Property values are increasing. The tax digest grew by more than $350 million. Construction at Plant Vogtle of two new nuclear reactors is 60% complete and the influx of construction workers continues to help our economy. Several local plants have announced plans to expand facilities and employment. We continue to see new retail and service businesses in the community as a result of the construction at Plant Vogtle as well as the improved economy in the Augusta region.

The Budget for FY 2018 is showing substantial growth in the General Fund of 29% with the revenues being adequate to maintain all the departments of the County. The largest growth in the budget has been in the Jail and Sheriff's Department. The Commissioners have lowered the millage rate for the General Fund by 2% due to the increases in property values. The Fire Fund remained essentially at the same millage rate. The Board has also committed to assisting the Burke County Hospital Authority with its operating shortfall as well as its debt service. The SPLOST fund shows a significant increase in the annual budget as the new Judicial Center project is underway in FY 18. The County will have sufficient funds to cover the $17,000,000 construction costs for the Judicial Center project without having to go into debt. Construction of the new units at Plant Vogtle has been delayed and it will continue until 2022. We expect revenues to continue to grow for the next six years as construction at Plant Vogtle progresses. After 2022, 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, 2017

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Health Department	Hospital Authority	Development Authority
ASSETS						
Current Assets:						
Cash	$ 5,489,739	-	$ 5,489,739	$ 425,434	$ 771,908	$ 1,588,995
Investments	44,432,970	-	44,432,970	444,374	211,299	750,749
Receivables:						
Taxes	1,230,009	-	1,230,009	-	-	-
Intergovernmental	748,731	$ 32,397	781,128	40,013	-	69,870
Internal balances	161,497	(161,497)	-	-	-	-
Other	117,712	75,409	193,121	68,408	459,421	1,372
Prepaid items	101,524	-	101,524	-	67,677	-
Inventories	484,286	-	484,286	-	159,570	-
Total Current Assets	52,766,468	(53,691)	52,712,777	978,229	1,669,875	2,410,986
Restricted Cash	-	-	-	-	92,404	-
Capital Assets:						
Nondepreciable capital assets	6,175,007	1,037,752	7,212,759	-	66,705	4,517,951
Depreciable capital assets, net	33,294,327	1,436,295	34,730,622	14,056	3,789,523	105,278
Total Capital Assets	39,469,334	2,474,047	41,943,381	14,056	3,856,228	4,623,229
Total Assets	92,235,802	2,420,356	94,656,158	992,285	5,618,507	7,034,215
DEFERRED OUTFLOWS OF RESOURCES						
Resources related to pensions	4,078,682	105,581	4,184,263	175,456	-	32,761
LIABILITIES						
Current Liabilities:						
Accounts payable	2,112,472	196,785	2,309,257	-	1,058,006	10,722
Intergovernmental payable	484,059	-	484,059	26,864	-	189,367
Accrued payroll	601,396	17,199	618,595	-	508,450	4,516
Retirement contributions payable	270,702	-	270,702	-	-	-
Unearned revenue	5,117	-	5,117	17,566	-	-
Compensated absences payable	59,660	1,773	61,433	-	-	178
Accrued landfill closure and postclosure care costs	-	19,740	19,740	-	-	-
Line of credit	-	-	-	-	104,391	-
Notes payable	-	-	-	-	1,558,586	-
Total Current Liabilities	3,533,406	235,497	3,768,903	44,430	3,229,433	204,783
Long-Term Liabilities:						
Net pension obligation	12,320,710	356,379	12,677,089	679,667	-	110,581
Compensated absences payable (net of current portion)	536,939	15,955	552,894	43,146	-	1,606
Accrued landfill closure and postclosure care costs (net of current portion)	-	1,903,668	1,903,668	-	-	-
Notes payable (net of current portion)	-	-	-	-	3,937,506	-
Total Long-Term Liabilities	12,857,649	2,276,002	15,133,651	722,813	3,937,506	112,187
Total Liabilities	16,391,055	2,511,499	18,902,554	767,243	7,166,939	316,970
DEFERRED INFLOWS OF RESOURCES						
Resources related to pensions	499,161	14,438	513,599	43,965	-	4,480
NET POSITION						
Investment in capital assets	39,469,334	2,474,047	41,943,381	14,056	3,055,072	4,623,229
Restricted for:						
Capital projects	22,704,181	-	22,704,181	-	-	-
Other purposes	5,236,295	-	5,236,295	-	10,320	-
Unrestricted	12,014,458	(2,474,047)	9,540,411	342,477	(4,613,824)	2,122,297
Total Net Position	$ 79,424,268	$ -	$ 79,424,268	$ 356,533	$ (1,548,432)	$ 6,745,526

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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	$ 2,335,680	$ 1,219,685	$ 124,125	-	$ (991,870)	-	$ (991,870)	-	-	-
Judicial	2,179,061	278,456	72,254	-	(1,828,351)	-	(1,828,351)	-	-	-
Public safety	17,058,398	2,498,508	64,635	-	(14,495,255)	-	(14,495,255)	-	-	-
Public works	7,721,783	-	-	$ 967,883	(6,753,900)	-	(6,753,900)	-	-	-
Health and welfare	5,432,578	-	120,170	-	(5,312,408)	-	(5,312,408)	-	-	-
Culture and recreation	1,778,176	141,413	95,050	-	(1,541,713)	-	(1,541,713)	-	-	-
Housing and development	1,149,240	105,089	23,808	3,394	(1,016,949)	-	(1,016,949)	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total governmental activities	37,654,916	4,243,151	500,042	971,277	(31,940,446)	-	(31,940,446)	-	-	-
Business-type Activities										
Solid Waste	1,823,975	602,041	-	-	-	$ (1,221,934)	(1,221,934)	-	-	-
Transit	391,078	120,311	158,729	76,934	-	(35,104)	(35,104)	-	-	-
Total business-type activities	2,215,053	722,352	158,729	76,934	-	(1,257,038)	(1,257,038)	-	-	-
Total - Primary Government	$ 39,869,969	$ 4,965,503	$ 658,771	$ 1,048,211	(31,940,446)	(1,257,038)	(33,197,484)	-	-	-
Component Units:										
Burke County Board of Health	$ 798,605	$ 207,276	$ 637,073	-				$ 45,744	-	-
Burke County Hospital Authority	12,288,428	7,223,819		4,600,000				-	$ (464,609)	
Development Authority of Burke County	558,301	20,875	200,000	$ 283,296				-	-	$ (54,130)
Total Component Units	$ 13,645,334	$ 7,451,970	$ 837,073	$ 4,883,296				45,744	(464,609)	(54,130)
		General Revenues								
		Property taxes levied for:								
		General purposes			20,997,191	-	20,997,191	-	-	-
		Fire protection			8,600,573	-	8,600,573	-	-	-
		Sales taxes			12,423,550	-	12,423,550	-	-	-
		Insurance premium tax			928,799	-	928,799	-	-	-
		Other taxes			252,017	-	252,017	-	-	-
		Interest earned			238,227	-	238,227	9,010	5,677	5,070
		Miscellaneous			153,187	-	153,187	-	-	73,593
		Gain (loss) on sale of capital assets			428	-	428	-	(94,376)	-
		Total General Revenues			43,593,972	-	43,593,972	9,010	(88,699)	78,663
		Transfers			(1,257,038)	1,257,038	-	-	-	-
		Total General Revenues and Transfers			42,336,934	1,257,038	43,593,972	9,010	(88,699)	78,663
		Change in Net Position			10,396,488	-	10,396,488	54,754	(553,308)	24,533
		Net Position, Beginning of Year			69,027,780	-	69,027,780	301,779	(995,124)	6,720,993
		Net Position, End of Year			$ 79,424,268	$ -	$ 79,424,268	$ 356,533	$ (1,548,432)	$ 6,745,526

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General	Fire Protection	SPLOST III	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 1,018,803	$ 16,205	$ 10,971	$ 4,443,760	$ 5,489,739
Investments	31,529,257	-	12,903,713	-	44,432,970
Receivables:					
Taxes	1,208,342	21,667	-	-	1,230,009
Intergovernmental	273,335	-	318,970	156,426	748,731
Other	-	29,230	-	88,482	117,712
Due from other funds	489,028	5,411,375	864,992	5,890,289	12,655,684
Prepaid items	101,524	-	-	-	101,524
TOTAL ASSETS	$ 34,620,289	$ 5,478,477	$ 14,098,646	$ 10,578,957	$ 64,776,369
LIABILITIES					
Accounts payable	$ 696,691	$ 181,768	$ 946,495	$ 200,622	$ 2,025,576
Accrued payroll	337,007	221,211	-	13,411	571,629
Retirement contribution payable	270,702	-	-	-	270,702
Intergovernmental payable	-	-	484,059	-	484,059
Due to other funds	12,815,679	-	-	230,044	13,045,723
Unearned revenue	-	-	-	5,117	5,117
TOTAL LIABILITIES	14,120,079	402,979	1,430,554	449,194	16,402,806
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	36,772	13,894	-	-	50,666
FUND BALANCES					
Nonspendable	101,524	-	-	-	101,524
Restricted	-	5,061,604	12,668,092	4,387,215	22,116,911
Committed	-	-	-	5,823,565	5,823,565
Assigned	5,176,436	-	-	-	5,176,436
Unassigned	15,185,478	-	-	(81,017)	15,104,461
TOTAL FUND BALANCES	20,463,438	5,061,604	12,668,092	10,129,763	48,322,897
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 34,620,289	$ 5,478,477	$ 14,098,646	$ 10,578,957	$ 64,776,369

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Fund Balances		$ 48,322,897
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	$ 90,994,547	
Less accumulated depreciation	(51,995,434)	38,999,113
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		50,666
The internal service funds are used by management to charge the costs of the operation and maintenance of facilities and the vehicle fleet to individual funds. Certain assets and liabilities of the internal service funds are included in governmental activities columns in the statement of net position.		841,662
Deferred outflows related to pensions are not reported in the governmental funds.		3,870,824
Deferred inflows related to pensions are not reported in the governmental funds.		(470,736)
The County's net pension obligation is not reported in the governmental funds but is in the statement of net position.		(11,619,106)
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.		(571,052)
Net Position Of Governmental Activities		$ 79,424,268

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, 2017

	General	Fire Protection	SPLOST III	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 26,616,015	$ 8,602,133	$ 6,345,832	$ 1,643,251	$ 43,207,231
Licenses and permits	111,914	-	-	-	111,914
Charges for services	1,765,454	1,194,278	-	615,926	3,575,658
Fees, fines and forfeitures	429,906	-	-	125,673	555,579
Intergovernmental	249,000	38,677	868,575	212,365	1,368,617
Interest	237,358	-	87,947	15,624	340,929
Other	150,995	-	-	2,191	153,186
Total revenues	29,560,642	9,835,088	7,302,354	2,615,030	49,313,114
EXPENDITURES					
Current:					
General government	1,981,259	-	-	-	1,981,259
Judicial	1,961,408	-	-	162,467	2,123,875
Public safety	6,958,120	8,448,589	-	857,331	16,264,040
Public works	3,885,060	-	-	-	3,885,060
Health and welfare	5,380,146	-	-	32,191	5,412,337
Culture and recreation	1,531,021	-	-	121,301	1,652,322
Housing and development	1,106,840	-	-	-	1,106,840
Capital outlay:					
General government	-	-	120,521	-	120,521
Judicial	-	-	1,780,640	-	1,780,640
Public safety	-	522,098	871,322	123,645	1,517,065
Public works	-	-	1,104,040	504,349	1,608,389
Housing and development	-	-	287,067	-	287,067
Intergovernmental	-	-	1,679,382	-	1,679,382
Total expenditures	22,803,854	8,970,687	5,842,972	1,801,284	39,418,797
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,756,788	864,401	1,459,382	813,746	9,894,317
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	428	-	-	-	428
Transfers in	-	860,000	130,155	1,432,091	2,422,246
Transfers out	(3,634,180)	-	-	(45,104)	(3,679,284)
Total other financing sources (uses)	(3,633,752)	860,000	130,155	1,386,987	(1,256,610)
NET CHANGE IN FUND BALANCES	3,123,036	1,724,401	1,589,537	2,200,733	8,637,707
FUND BALANCES, OCTOBER 1, 2016	17,340,402	3,337,203	11,078,555	7,929,030	39,685,190
FUND BALANCES, SEPTEMBER 30, 2017	$ 20,463,438	$ 5,061,604	$ 12,668,092	$ 10,129,763	$ 48,322,897

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, 2017

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

Net Change In Fund Balances - Total Governmental Funds		$ 8,637,707
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlays exceeded depreciation expense in the current period.		
Depreciation expense	$ (3,366,658)	
Capital outlay	5,995,518	2,628,860
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 @ 9/30/17	50,666	
Unavailable revenue @ 9/30/16	(55,765)	(5,099)
The change in the net pension obligation and pension related deferred outflows and inflows are reported on the government-wide statement of activities but not in the governmental funds.		(790,656)
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.		(74,324)
Change In Net Position of Governmental Activities		$ 10,396,488

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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 18,338,000	$20,103,332	$ 21,000,734	$ 897,402
Local option sales	3,900,000	3,900,000	4,434,465	534,465
Alcoholic beverage	75,000	75,000	77,258	2,258
Insurance premium	815,000	815,000	928,799	113,799
Other	154,000	154,000	174,759	20,759
Licenses and permits	96,000	96,000	111,914	15,914
Charges for services	1,309,200	1,655,361	1,765,454	110,093
Fees, fines and forfeitures	450,800	450,800	429,906	(20,894)
Intergovernmental	254,367	258,167	249,000	(9,167)
Interest	30,000	30,000	237,358	207,358
Other	114,200	141,800	150,995	9,195
Total revenues	25,536,567	27,679,460	29,560,642	1,881,182
EXPENDITURES				
Current:				
General government:				
Legislative	65,800	65,800	66,473	(673)
General administration	1,848,253	1,549,481	376,104	1,173,377
Elections	224,350	224,350	153,732	70,618
Board of equalization	10,750	10,750	5,684	5,066
Legal services	100,000	100,000	79,401	20,599
Data processing	25,000	28,000	26,682	1,318
Tax commissioner	480,608	480,608	422,427	58,181
Tax assessor	358,215	358,215	362,481	(4,266)
Risk management	410,000	410,000	391,127	18,873
Audit fees	35,000	32,000	31,500	500
Records management	55,750	55,750	53,886	1,864
CSRA Regional Commission	16,500	16,500	11,762	4,738
Total general government	3,630,226	3,331,454	1,981,259	1,350,195
Judicial:				
Clerk of Courts	528,600	528,600	469,864	58,736
Superior Court	309,900	309,900	366,754	(56,854)
State Court	24,600	25,481	20,680	4,801
State Court - Judge	73,950	73,069	66,483	6,586
State Court - Community Service	11,250	11,250	15,858	(4,608)
Solicitor's Office	156,050	156,050	152,250	3,800
Juvenile Court	104,550	104,550	94,612	9,938
District Attorney	160,000	160,000	163,187	(3,187)
Indigent defense	200,000	200,000	104,224	95,776
Magistrate Court	368,400	368,400	362,096	6,304
Probate Court	146,500	146,500	145,400	1,100
Total judicial	2,083,800	2,083,800	1,961,408	122,392
Public safety:				
Animal control	427,000	427,000	16,571	410,429
School resource officers	150,000	401,340	308,255	93,085
Coroner	57,850	57,850	47,383	10,467
Jail	2,205,750	2,340,016	2,337,386	2,630
Sheriff	2,604,000	4,408,640	4,248,525	160,115
Total public safety	5,444,600	7,634,846	6,958,120	676,726

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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Highways and streets	$ 4,134,280	$ 4,134,280	$ 3,885,060	$ 249,220
Health and welfare:				
Health department	296,800	296,800	297,560	(760)
Welfare	5,000	5,000	5,000	-
Senior citizens	314,100	314,100	277,586	36,514
Burke County Hospital Authority	4,500,000	4,800,000	4,800,000	-
Total health and welfare	5,115,900	5,415,900	5,380,146	35,754
Culture and recreation:				
Recreation	1,359,200	1,359,200	1,104,102	255,098
Museum	24,250	24,250	22,859	1,391
Library	432,750	432,750	404,060	28,690
Total culture and recreation	1,816,200	1,816,200	1,531,021	285,179
Housing and development:				
Burke Office Park	310,500	310,500	367,714	(57,214)
County agent	190,900	190,900	170,933	19,967
Soil conservation	34,650	34,650	34,434	216
Georgia Forestry Commission	34,000	34,000	33,226	774
Planning commission	311,989	311,989	275,625	36,364
Chamber of commerce	18,000	18,000	18,000	-
Airport	66,300	66,300	6,908	59,392
Development Authority	200,000	200,000	200,000	-
Total housing and development	1,166,339	1,166,339	1,106,840	59,499
Total expenditures	23,391,345	25,582,819	22,803,854	2,778,965
EXCESS OF REVENUES OVER EXPENDITURES	2,145,222	2,096,641	6,756,788	4,660,147
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,675,222)	(3,640,941)	(3,634,180)	6,761
Sale of capital assets	30,000	30,000	428	(29,572)
Total other financing sources (uses)	(3,645,222)	(3,610,941)	(3,633,752)	(22,811)
NET CHANGE IN FUND BALANCE	$ (1,500,000)	$ (1,514,300)	3,123,036	$ 4,637,336
FUND BALANCE, BEGINNING OF YEAR			17,340,402	
FUND BALANCE, END OF YEAR			$ 20,463,438	

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, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	$ 7,688,930	$ 8,602,133	$ 913,203
Charges for services	1,243,200	1,194,278	(48,922)
Intergovernmental	38,495	38,677	182
Other	1,000	-	(1,000)
Total revenues	8,971,625	9,835,088	863,463
EXPENDITURES			
Current:			
Public safety	8,926,666	8,448,589	478,077
Capital outlay:			
Public safety	1,158,230	522,098	636,132
Total public safety	10,084,896	8,970,687	1,114,209
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,113,271)	864,401	1,977,672
OTHER FINANCING SOURCES			
Transfers in	860,000	860,000	-
NET CHANGE IN FUND BALANCE	$ (253,271)	1,724,401	$ 1,977,672
FUND BALANCE, BEGINNING OF YEAR		3,337,203	
FUND BALANCE, END OF YEAR		$ 5,061,604	

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
ASSETS				
Current Assets				
Accounts receivable	$ 75,409	-	$ 75,409	-
Intergovernmental	-	$ 32,397	32,397	-
Due from other funds	97,487	-	97,487	$ 551,536
Inventory	-	-	-	484,286
Total Current Assets	172,896	32,397	205,293	1,035,822
Noncurrent Assets				
Capital Assets				
Land	1,037,752	-	1,037,752	-
Buildings and improvements	435,768	-	435,768	557,193
Machinery and equipment	1,621,306	495,826	2,117,132	569,577
Less accumulated depreciation	(919,336)	(197,269)	(1,116,605)	(656,549)
Total Capital Assets	2,175,490	298,557	2,474,047	470,221
Total Assets	2,348,386	330,954	2,679,340	1,506,043
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	81,893	23,688	105,581	207,858
LIABILITIES				
Current Liabilities				
Accounts payable	195,982	803	196,785	86,896
Accrued payroll	11,785	5,414	17,199	29,767
Compensated absences payable	1,148	625	1,773	2,554
Accrued landfill closure and postclosure care costs	19,740	-	19,740	-
Due to other funds	-	258,984	258,984	-
Total Current Liabilities	228,655	265,826	494,481	119,217
Long-Term Liabilities				
Compensated absences payable (net of current portion)	10,334	5,621	15,955	22,993
Net pension obligation	276,423	79,956	356,379	701,604
Accrued landfill closure and postclosure care costs (net of current portion)	1,903,668	-	1,903,668	-
Total Long-term Liabilities	2,190,425	85,577	2,276,002	724,597
Total Liabilities	2,419,080	351,403	2,770,483	843,814
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	11,199	3,239	14,438	28,425
NET POSITION				
Investment in capital assets	2,175,490	298,557	2,474,047	470,221
Unrestricted	(2,175,490)	(298,557)	(2,474,047)	371,441
Total Net Position	$ -	$ -	$ -	$ 841,662

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	$ 599,899	$ 114,089	$ 713,988	$ 2,774,577
Other	2,142	6,222	8,364	15,378
Total revenues	602,041	120,311	722,352	2,789,955
OPERATING EXPENSES				
Salaries	332,102	152,760	484,862	786,811
Employee benefits	111,451	49,289	160,740	283,822
Purchased services	1,153,855	91,126	1,244,981	264,753
Materials and supplies	56,628	50,538	107,166	1,387,981
Depreciation	169,939	47,365	217,304	66,588
Total operating expenses	1,823,975	391,078	2,215,053	2,789,955
OPERATING INCOME (LOSS)	(1,221,934)	(270,767)	(1,492,701)	-
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	-	235,663	235,663	-
INCOME (LOSS) BEFORE TRANSFERS	(1,221,934)	(35,104)	(1,257,038)	-
TRANSFERS IN	1,221,934	35,104	1,257,038	-
CHANGE IN NET POSITION	-	-	-	-
NET POSITION, OCTOBER 1, 2016	-	-	-	841,662
NET POSITION, SEPTEMBER 30, 2017	$ -	$ -	$ -	$ 841,662

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 657,631	$ 98,160	$ 755,791	-
Cash received from interfund charges	-	-	-	$ 2,801,528
Cash payments to employees for salaries and benefits	(464,771)	(207,241)	(672,012)	(1,061,178)
Cash payments for goods and services	(1,061,294)	(141,425)	(1,202,719)	(1,700,182)
Net cash provided (used) by operating activities	(868,434)	(250,506)	(1,118,940)	40,168
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants	-	76,934	76,934	-
Advances from (to) other funds	(197,523)	147,841	(49,682)	-
Transfers in	1,221,934	-	1,221,934	-
Net cash provided (used) by noncapital financing activities	1,024,411	224,775	1,249,186	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers from capital projects fund	-	35,104	35,104	-
Capital grants	-	158,730	158,730	
Insurance recoveries	75,000	-	75,000	-
Purchase of capital assets	(230,977)	(168,103)	(399,080)	(40,168)
Net cash provided (used) by capital and related financing activities	(155,977)	25,731	(130,246)	(40,168)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-	-
CASH AND CASH EQUIVALENTS, OCTOBER 1, 2016	-	-	-	-
CASH AND CASH EQUIVALENTS, SEPTEMBER 30, 2017	$ -	$ -	$ -	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ (1,221,934)	$ (270,767)	$ (1,492,701)	-
Adjustments:				
Depreciation	169,939	47,365	217,304	$ 66,588
(Increase) decrease in operating assets:				
Accounts receivable	55,590	(22,151)	33,439	-
Interfund receivables	-	-	-	11,573
Inventory	-	-	-	(45,097)
(Increase) decrease in deferred outflow of resources - resources related to pensions	26,537	7,803	34,340	44,377
(Decrease) increase in deferred inflow of resources - resources related to pensions	11,199	3,239	14,438	28,425
Increase (decrease) in operating liabilities:				
Accounts payable	124,506	239	124,745	(2,351)
Accrued landfill closure and postclosure care costs	24,683	-	24,683	-
Accrued payroll	1,207	625	1,832	4,148
Compensated absences payable	(3,239)	90	(3,149)	7,782
Net pension obligation	(56,922)	(16,949)	(73,871)	(75,277)
Net cash provided (used) by operating activities	$ (868,434)	$ (250,506)	$ (1,118,940)	$ 40,168

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2017

ASSETS	
Cash	$ 801,507
LIABILITIES	
Due to other entities and individuals	$ 801,507

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) III Fund – This capital projects fund was established to account for expenditures on capital improvements made by the County and financed through revenues from a special purpose local option sales tax.

The County reports the following major enterprise funds:

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

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, 2017. 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, 2017. 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, 2017.

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 has only one item that qualifies for reporting in this category. It is resources related to pensions reported at the government-wide level for governmental and business-type activities and at the fund level for proprietary funds.

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

Fund Equity

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

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

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

- Committed
- Assigned
- Unassigned

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these amounts.

NOTE 2 – DEPOSITS AND INVESTMENTS

At September 30, 2017, the County had the following investments:

Investments	Maturities	Fair Value	Credit Rating
Primary Government:			
Georgia Fund 1	Average of 62 days WAM	$ 44,432,970	AAAf
Discretely Presented Component Units -			
Development Authority of Burke County:			
Certificates of Deposit	-	$ 750,749	-
Burke County Board of Health:			
Pacific Life Index Fund	-	$ 444,374	-
Burke County Hospital Authority			
Certificates of Deposit	-	$ 211,299	-

Interest Rate Risk – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Custodial Credit Risk – Deposits – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

Custodial Credit Risk – Investments – Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

NOTE 2 – DEPOSITS AND INVESTMENTS – Continued

At September 30, 2017, the carrying amount of the County's deposits (checking and certificates of deposit) was $6,291,246 and the bank balance was $6,541,599. Of the bank balance, $1,289,520 was covered by federal depository insurance and $5,252,079 was collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Discretely Presented Component Units

At September 30, 2017, the carrying amount of deposits (checking and certificates of deposit) for the Development Authority of Burke County was $2,339,744 and the bank balance was $2,341,057. Of the bank balance, $500,000 was covered by federal depository insurance and $1,841,057 was collateralized by securities held by the pledging financial institution's trust department or agent in the Authority's name.

At June 30, 2017, the carrying amount of the Burke County Health Department's bank deposits was $425,434 and the bank balance was $448,512. Of the bank balance, $410,000 was covered by federal depository insurance and $38,512 was collateralized by securities held by the pledging financial institution's trust department or agent in the Health Department's name.

At May 31, 2017 the carrying amount of the Burke County Hospital Authority's bank deposits was $1,075,611 and the bank balance was $1,113,987. Of the bank balance, $653,060 was covered by federal depository insurance and $460,927 was uninsured and uncollateralized.

NOTE 3 – RECEIVABLES

Receivables at September 30, 2017, 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, 2017 follow:

Fund	Allowance for Uncollectibles
Fire Protection	$ 304,753
Solid Waste	674
General	110,317

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

NOTE 4 – PROPERTY TAXES (continued)

mailing by the Tax Commissioner. Property tax revenues are recognized when they become measurable and available. Available revenues include those property tax receivables expected to be collected within 60 days. Property taxes are recorded as receivables when levied.

Current year property taxes were levied on December 15, 2016, and due February 26, 2017. A summary of the current year property tax levy is as follows:

	General Fund	Fire Protection Fund
Millage rates		
Unincorporated	6.092	2.698
Incorporated	6.350	2.698
Property tax levy	$ 20,227,021	$ 8,600,821
Property taxes receivable at September 30, 2017	$ 166,962	$ 63,350
Allowance for uncollectible accounts	(110,317)	(41,683)
Net property taxes receivable at September 30, 2017	$ 56,645	$ 21,667
Unavailable property tax revenue at September 30, 2017	$ 36,772	$ 13,894

NOTE 5 – PUBLIC UTILITIES TAX

Public Utility taxes accounted for approximately 85% of the current year tax digest.

NOTE 6 – CAPITAL ASSETS

Governmental activities capital asset activity (including the vehicle maintenance and facilities maintenance internal service funds) for the year ended September 30, 2017, was as follows:

	Balance 10/1/2016	Additions	Deductions	Balance 9/30/2017
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 3,594,933	-	$ 431,002	$ 3,163,931
Construction in progress	774,331	$ 2,243,445	6,700	3,011,076
Total capital assets not being depreciated	4,369,264	2,243,445	437,702	6,175,007
Capital assets being depreciated:				
Infrastructure	43,552,648	1,112,366	-	44,665,014
Buildings and improvements	20,440,555	871,411	-	21,311,966
Furniture, fixtures, and equipment	17,738,645	2,246,166	15,481	19,969,330
Total capital assets being depreciated	81,731,848	4,229,943	15,481	85,946,310
Total capital assets	86,101,112	6,473,388	453,183	92,121,317
Accumulated depreciation:				
Infrastructure	25,703,085	1,618,756	-	27,321,841
Buildings and improvements	10,226,342	560,674	-	10,787,016
Furniture, fixtures, and equipment	13,304,792	1,253,815	15,481	14,543,126
Total accumulated depreciation	49,234,219	3,433,245	15,481	52,651,983
Governmental activities capital assets, net	$ 36,866,893	$ 3,040,143	$ 437,702	$ 39,469,334

Depreciation expense was charged to functions as follows:

General government	$ 300,966
Public safety	831,918
Culture and recreation	184,819
Health and welfare	20,241
Public works	2,028,713
Vehicle maintenance internal service fund	16,030
Facility maintenance internal service fund	50,558
Total governmental activities depreciation expense	$ 3,433,245

NOTE 6 – CAPITAL ASSETS - Continued

Business-type capital asset activity for the year ended September 30, 2017 was as follows:

	Balance 10/01/16	Additions	Deductions	Balance 09/30/17
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 1,037,752	-	-	$ 1,037,752
Capital assets being depreciated:				
Buildings	379,385	$ 13,850	$ 75,000	318,235
Improvements other than buildings	117,533	-	-	117,533
Machinery and equipment	1,731,902	385,230	-	2,117,132
Total capital assets being depreciated	2,228,820	399,080	75,000	2,552,900
Total capital assets	3,266,572	399,080	75,000	3,590,652
Accumulated depreciation:				
Buildings	24,666	9,485	-	34,151
Improvements other than buildings	87,121	4,741	-	91,862
Machinery and equipment	787,513	203,079	-	990,592
Total accumulated depreciation	899,300	217,305	-	1,116,605
Business-type activities capital assets, net	$ 2,367,272	$ 181,775	$ 75,000	$ 2,474,047

Depreciation expense was charged as follows:

Solid Waste Fund	$ 169,940
Transit Fund	47,365
Total business-type activities depreciation expense	$ 217,305

NOTE 6 – CAPITAL ASSETS – Continued

Capital asset activity for the Development Authority component unit for the year ended September 30, 2017 was as follows:

	Balance 10/1/2016	Additions	Deductions	Balance 9/30/2017
Capital assets not being depreciated:				
Land	$ 21,852	-	$ -	$ 21,852
Land held for sale	4,496,099	-	-	4,496,099
Total capital assets not being depreciated	4,517,951	-	-	4,517,951
Capital assets being depreciated:				
Buildings	105,484	-	-	105,484
Machinery and equipment	25,499	-	-	25,499
Improvements	31,147	-	-	31,147
Total capital assets being depreciated	162,130	-	-	162,130
Accumulated depreciation:				
Buildings	36,260	$ 2,637	-	38,897
Machinery and equipment	9,411	3,643	-	13,054
Improvements	3,051	1,850	-	4,901
Total accumulated depreciation	48,722	8,130	-	56,852
Development Authority capital assets, net	$ 4,631,359	$ (8,130)	$ -	$ 4,623,229

Capital asset activity for the Health Department component unit for the year ended June 30, 2017 was as follows:

	Balance 07/01/16	Additions	Deductions	Balance 06/30/17
Capital assets being depreciated:				
Machinery and equipmnt	$ 187,195	-	$ -	$ 187,195
Accumulated depreciation:				
Machinery and equipment	167,929	$ 5,210	-	173,139
Health Department capital assets, net	$ 19,266	$ (5,210)	$ -	$ 14,056

NOTE 6 – CAPITAL ASSETS – Continued

Capital asset activity for the Hospital Authority component unit for the year ended May 31, 2017 was as follows:

	Balance 06/01/16	Additions	Deductions	Balance 05/31/17
Capital assets not being depreciated:				
Land	$ 66,705	-	-	$ 66,705
Capital assets being depreciated:				
Buildings and improvements	11,346,688	$ 73,642	-	11,420,330
Machinery and equipment	8,141,820	47,106	$ 156,389	8,032,537
Total capital assets being depreciated	19,488,508	120,748	156,389	19,452,867
Total capital assets at historical cost	19,555,213	120,748	156,389	19,519,572
Less accumulated depreciation	(15,206,596)	(518,761)	62,013	(15,663,344)
Hospital Authority capital assets, net	$ 4,348,617	$ (398,013)	$ 94,376	$ 3,856,228

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, 2017:

	Balance October 1, 2016	Additions	Reductions	Balance September 30, 2017	Amounts Due In One Year
Governmental Activities:					
Compensated absences payable	$ 514,492	$ 665,293	$ 583,186	$ 596,599	$ 59,660
Net pension obligation	11,782,716	1,792,484	1,254,490	12,320,710	-
Total Governmental Activities	$ 12,297,208	$ 2,457,777	$ 1,837,676	$ 12,917,309	$ 59,660

	Balance October 1, 2016	Additions	Reductions	Balance September 30, 2017	Amounts Due In One Year
Business-Type Activities:					
Compensated absences payable	$ 20,877	$ 15,544	$ 18,693	$ 17,728	$ 1,773
Accrued landfill closure and postclosure care costs	1,898,725	47,578	22,895	1,923,408	19,740
Net pension obligation	430,249	-	73,870	356,379	-
Total Business-Type Activities	$ 2,349,851	$ 63,122	$ 115,458	$ 2,297,515	$ 21,513

NOTE 7 – LONG-TERM DEBT – Continued

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

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amounts Due In One Year
Health Department:					
Net pension obligation	$ 651,546	$ 28,121	-	$ 679,667	$ -
Compensated absences payable	32,713	33,484	$ 23,051	43,146	-
Total Health Department	$ 684,259	$ 61,605	$ 23,051	$ 722,813	$ -

	Balance October 1, 2016	Additions	Reductions	Balance September 30, 2017	Amounts Due In One Year
Development Authority:					
Net pension obligation	$ 118,281	$ 3,498	$ 11,198	$ 110,581	-
Compensated absences payable	3,676	6,035	7,927	1,784	$ 178
Total Development Authority	$ 121,957	$ 9,533	$ 19,125	$ 112,365	$ 178

	Balance June 1, 2016	Additions	Reductions	Balance May 31, 2017	Amounts Due In One Year
Hospital Authority:					
Series 2013A Certificate	$ 178,598	-	$ 36,951	$ 141,647	$ 36,951
Series 2013B Taxable Note	5,925,901	-	1,313,049	4,612,852	1,313,049
Note Payable	903,796	$ 26,449	188,652	741,593	208,586
Total HospitalAuthority	$ 7,008,295	$ 26,449	$ 1,538,652	$ 5,496,092	$ 1,558,586

NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

Excess expenditures over appropriations for the year ended September 30, 2017 in the following departments in the general fund:

	Overexpenditures
Current:	
Legislative	$ 673
Tax Assessor	4,266
Superior Court	56,854
State court - Community Service	4,608
District Attorney	3,187
Health Department	760
Burke Office Park	57,214

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

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

Expenditures exceeded appropriations in the following funds and these overexpenditures were funded by additional revenues over amounts budgeted and/or by available fund balance.

	Overexpenditures
Special Revenue Fund:	
Public Library	$ 4,301
Emergency Telephone System	44,948
Sheriff's Commissions	148,361

NOTE 9 – INTERFUND RECEIVABLES, INTERFUND PAYABLES AND TRANSFERS

A summary of interfund receivables and payables as of September 30, 2017, 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	Victim's Assistance Fund	$ 15,000
	Drug Enforcement Fund	3,376
	Emergency telephone system	177,131
	Small Grants Fund	4,446
	Accountability court	18,987
	Transit	258,984
	TSPLOST	11,104
Other capital projects	General	5,823,565
Sheriff's commissions	General	66,724
Fire protection	General	5,411,375
Solid Waste	General	97,487
SPLOST 3	General	864,992
Vehicle maintenance	General	347,706
Facility maintenance	General	203,830
Total		$ 13,304,707

NOTE 9 – INTERFUND RECEIVABLES, INTERFUND PAYABLES AND TRANSFERS – continued

A summary of transfers for the year ended September 30, 2017 is as follows:

	Transfers From:			
Transfers To:	General Fund	T-SPLOST Fund	Drug Treatment & Education Fund	Total
Fire Protection Fund	$ 860,000	-	-	$ 860,000
E911 Fund	87,469	-	-	87,469
Solid Waste Fund	1,221,934	-	-	1,221,934
Small Grants Fund	-	-	-	-
Transit Fund	-	$ 35,104	-	35,104
Accountability Court Fund	34,622	-	$ 10,000	44,622
SPLOST III Fund	130,155	-	-	130,155
Other Capital Projects Fund	1,300,000	-	-	1,300,000
Total	$3,634,180	$ 35,104	$ 10,000	$ 3,679,284

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

NOTE 10 – FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2017, governmental fund balances are composed of the following:

	General Fund	Fire Protection	SPLOST III	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Nonspendable - Prepaid items	$ 101,524	-	-	-	$ 101,524
Restricted:					
Capital projects	-	-	$ 12,668,092	$ 4,212,524	16,880,616
Fire protection	-	$ 5,061,604	-	-	5,061,604
Sheriff	-	-	-	56,044	56,044
Law library	-	-	-	13,360	13,360
Drug enforcement	-	-	-	831	831
Public library	-	-	-	83,104	83,104
Drug education	-	-	-	3,869	3,869
Jail	-	-	-	10,410	10,410
Juvenile services	-	-	-	7,073	7,073
Total restricted	-	5,061,604	12,668,092	4,387,215	22,116,911
Committed - Judicial Center	-	-	-	5,823,565	5,823,565
Assigned - subsequent year's budget	5,176,436	-	-	-	5,176,436
Unassigned	15,185,478	-	-	(81,017)	15,104,461
Total fund balances	$ 20,463,438	$ 5,061,604	$ 12,668,092	$ 10,129,763	$ 48,322,897

NOTE 11 – RETIREMENT PLAN

Plan Description

The County's defined benefit pension plan, the Burke County Defined Benefit Plan (the "Plan"), provides retirement, disability, and death benefits to plan members and beneficiaries. The Plan is affiliated with the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (the "Plan"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The specific benefit provisions of the County's plan were established by an adoption agreement executed by the Burke County Board of Commissioners. The ACCG issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

Benefits Provided

All full-time County and Development Authority (discretely presented component unit) employees are eligible to participate in the Plan after reaching age 21 and completing at least one year of service.

NOTE 11 – RETIREMENT PLAN – Continued

Normal retirement age is 65. At that time, an employee is entitled to a lifetime pension equal to 1.20% of average annual compensation multiplied by the years of service (maximum of 40 years) plus .75% of average annual compensation in excess of $10,000 multiplied by years of service (maximum 35 years). The .75% is reduced to .70% for employees born after 1937 and reduced to .65% for employees born after 1954. Average annual compensation is defined as the highest average compensation over three consecutive plan years during the 10 plan years preceding retirement or termination. An employee becomes 100% vested after completing five years of service. These benefit provisions and all other requirements, including amendments or termination, are established by County ordinance.

Employees Covered by Benefit Terms

Retirees and beneficiaries receiving benefits	67
Deferred vested (former employees)	137
Active participants	284
Total plan participants	488
Covered Compensation	$ 12,002,527

Contributions

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in section 47-20 of the Georgia Code. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants.

Total contributions to the plan for the plan year ended December 31, 2016 were $1,741,052 which represents 14.5% of covered employee payroll.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016.

NOTE 11 – RETIREMENT PLAN – Continued

Actuarial Assumptions

The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.25% per year
Future salary increases	4.50% plus an aged base scale ranging from -1.0% to 1.5%
Mortality	RP-2000 projected with Scale AA
Future payroll growth	5.50% per year
Inflation	3.00%

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to December 31, 2014.

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and incremental changes in the cash value of pre-retirement life insurance policies owned by the trust. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market price. The trust fund is invested approximately 70% in equities and 30% in fixed income securities on a cost basis.

The long-term expected rate of return on pensions plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	55%	8.45%
International equity	15%	4.29%
Fixed income	30%	5.60%
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on the assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore,

NOTE 11 – RETIREMENT PLAN – Continued

the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a)-(b)
Balance, January 1, 2016	$ 29,437,516	$ 17,106,270	$12,331,246
Changes for the year:			
Service cost	677,762	-	677,762
Interest on the total pension liability	2,158,989	-	2,158,989
Liability expense (gain)/loss	(647,599)	-	(647,599)
Assumption change	966,954	-	966,954
Contributions from the employer	-	1,741,052	(1,741,052)
Net investment income	-	1,230,468	(1,230,468)
Administrative expenses	-	(62,691)	62,691
Benefit payments	(1,302,013)	(1,302,013)	-
Other changes	-	(209,147)	209,147
Net Changes	1,854,093	1,397,669	456,424
Balance, December 31, 2016	$ 31,291,609	$ 18,503,939	$12,787,670 *

*Includes net pension liability for the Development Authority (discretely presented component unit)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the County, calculated using the discounted rate of 7.25 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	Discount Rate - 1% (6.25%)	Current Discount Rate (7.25%)	Discount Rate + 1% (8.25%)
County's net pension liability	$ 17,142,881	$ 12,787,670	$ 9,172,291

NOTE 11 – RETIREMENT PLAN – Continued

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2017, the County recognized pension expense of $2,517,905. At September 30, 2017, the County reported deferred outflows and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Employer contributions after measurement date	$ 1,298,774		-	
Net differences between projected and actual net investment income	846,344		-	
Liability experience gain/loss	641,042		$ 518,079	
Assumption change	1,430,864		-	
	$ 4,217,024	*	$ 518,079	*

*Includes deferred outflows and deferred inflows of resources for the Development Authority (discretely presented component unit)

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30	
2018	$ 2,055,767
2019	756,992
2020	756,992
2021	129,194
	$ 3,698,945

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 $1,923,408 as of September 30, 2017. This is based on 100% usage (filled) of the landfill. During 1998, the landfill reached full capacity. The estimated total current cost of the landfill postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were incurred as of September 30, 2017. 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, 2017, the County paid $11,762 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 – 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, 2017, the County had recorded no liability for claims. The County is covered by commercial insurance.

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

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

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

NOTE 14 – RISK MANAGEMENT - Continued

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, 2017, are as follows:

Unpaid claims, October 1, 2016	$ 565,687
Incurred claims	204,537
Claim payments	(483,951)
Adjustments	51,462
Unpaid claims, September 30, 2017	$ 337,735

NOTE 15 – COMMITMENTS AND CONTINGENCIES

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

NOTE 16 – SUBSEQUENT EVENTS

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through March 27, 2018, the date the financial statements were available to be issued.

NOTE 17 – CONTINGENT LIABILITY FOR BURKE COUNTY HOSPITAL AUTHORITY

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

Total outstanding long-term debt for the Hospital Authority as of September 30, 2017 was $5,496,092 Scheduled principal and interest payments on this long-term debt are as follows:

Year ending September 30,	Principal	Interest	Total
2018	$ 1,558,586	$124,709	$ 1,683,295
2019	1,528,788	80,955	1,609,743
2020	1,528,788	37,263	1,566,051
2021	879,930	7,546	887,476
	$ 5,496,092	$250,473	$ 5,746,565

NOTE 18 – TAX ABATEMENTS

The Development Authority of Burke County (the "Authority") can enter into agreements for industrial projects to encourage the creation of jobs and new capital investment through an "Investment Assistance Program." Georgia case law and statutory provisions, including the Development Authorities Law (Title 36 Chapter 62 of the Georgia Code Annotated), provide the Authority with the power to enter into such agreements with companies.

The Authority may accept title to real property (land and building) and personal property (machinery and equipment) assets from a company in return for job creation and/or capital investment and provide a tax benefit to the company through a lease agreement with the Authority. Agreements with respect to taxation of such assets under the lease provide the terms and conditions of any tax abatement. In general, failure to create jobs and/or investments as set forth in the agreements would result in a reduction (or claw back) of any tax abatements. The Authority monitors compliance with performance and accountability agreements to ensure the companies meet the agreed upon commitments.

For the Burke County Board of Commissioners fiscal year ended September 30, 2017, the cumulative real and personal property tax not collected due to incentive agreements was $82,628. Such agreements in effect for Burke County resulted in an estimated $69.3 million in new capital investment and 174 new jobs.

The Authority estimates an impact of $25,778 for the Burke County Board of Commissioners fiscal year ending on September 30, 2018, based on current incentive agreements.

BURKE COUNTY BOARD OF COMMISSIONERS
REQUIRED SUPPLEMENTARY INFORMATION
BURKE COUNTY DEFINED BENEFIT PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	2017 (1)	2016 (1)	2015 (1)
Total pension liability			
Service cost	$ 677,762	$ 667,642	$ 629,361
Interest	2,158,989	1,927,851	1,844,208
Liability Experience (Gain)/Loss	(647,599)	1,054,616	-
Assumption Change	966,954	1,081,367	-
Benefit Payments	(1,302,013)	(1,997,278)	(719,374)
Net change in total pension liability	1,854,093	2,734,198	1,754,195
Total pension liability-beginning	29,437,516	26,703,318	24,949,123
Total pension liability-ending (a)	$ 31,291,609	$ 29,437,516	$ 26,703,318
Plan fiduciary net position			
Contributions-employer	$ 1,741,052	$ 1,091,379	$ 1,029,499
Net investment income	1,230,468	144,802	1,232,806
Benefit Payments	(1,302,013)	(1,997,278)	(719,374)
Administrative expense	(62,691)	(61,855)	(57,294)
Other changes	(209,147)	(172,681)	(183,427)
Net change in plan fiduciary net position	1,397,669	(995,633)	1,302,210
Plan fiduciary net position-beginning	17,106,270	18,101,903	16,799,693
Plan fiduciary net position-ending (b)	$ 18,503,939	$ 17,106,270	$ 18,101,903
Net pension liability-ending (a)-(b)	$ 12,787,670	$ 12,331,246	$ 8,601,415
Plan fiduciary net position as a percentage of the total pension liability	59.1%	58.1%	67.8%
Covered-employee payroll	$ 12,002,527	$ 12,386,845	$ 11,843,126
Net pension liability as a percentage of covered-employee payroll	106.5%	99.6%	72.6%

(1) Only fiscal years 2017, 2016, and 2015 were available. The County will continue to present information for years available until a full 10-year trend is compiled.

BURKE COUNTY BOARD OF COMMISSIONERS
REQUIRED SUPPLEMENTARY INFORMATION
BURKE COUNTY DEFINED BENEFIT PLAN
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	2017	2016	2015
Actuarially determined contribution	*	$1,640,367	$1,091,379
Contributions in relation to the actuarially determined contribution	*	(1,741,052)	(1,091,379)
Contribution deficiency (excess)	*	$ (100,685)	$ -
Covered-employee payroll	*	12,002,527	12,386,845
Contributions as a percentage of covered-employee payroll	*	14.5%	8.8%

*2017 information will be determined after fiscal year end and will be included in the 2017 valuation report

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	N/A
Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Actuarial Assumptions:	
Net Investment Rate of Return	7.25%
Projected Salary Increases	4.50% plus an aged base scale ranging from -1.0% to 1.5%
Cost of Living Adjustments	N/A
Retirement Age	Probability of retirement calculated as 10% at age 55 to 60, 20% at age 61 to 64, 30% at age 65 to 69, and 100% at age 70
Mortality	RP-2000 projected with Scale AA

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Funds
ASSETS			
Cash	$ 225,077	$ 4,218,683	$ 4,443,760
Accounts receivable	88,482	-	88,482
Due from other funds	66,724	5,823,565	5,890,289
Intergovernmental receivable	25,377	131,049	156,426
TOTAL ASSETS	$ 405,660	$ 10,173,297	$ 10,578,957
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	$ 74,518	$ 126,104	$ 200,622
Accrued payroll	13,411	-	13,411
Unearned revenue	5,117	-	5,117
Due to other funds	218,940	11,104	230,044
Total liabilities	311,986	137,208	449,194
Fund balance:			
Restricted	174,691	4,212,524	4,387,215
Committed	-	5,823,565	5,823,565
Unassigned	(81,017)	-	(81,017)
Total fund balance	93,674	10,036,089	10,129,763
TOTAL LIABILITIES AND FUND BALANCE	$ 405,660	$ 10,173,297	$ 10,578,957

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Funds
REVENUES			
Taxes	-	$ 1,643,251	$ 1,643,251
Charges for services	$ 615,926	-	615,926
Fees, fines and forfeitures	125,673	-	125,673
Intergovernmental	212,365	-	212,365
Interest	869	14,755	15,624
Other	2,191	-	2,191
Total revenues	957,024	1,658,006	2,615,030
EXPENDITURES			
Current:			
Judicial	162,467	-	162,467
Public safety	857,331	-	857,331
Culture and recreation	121,301	-	121,301
Health and welfare	32,191	-	32,191
Capital outlay:			
Public safety	123,645	-	123,645
Public works	-	504,349	504,349
Total expenditures	1,296,935	504,349	1,801,284
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(339,911)	1,153,657	813,746
OTHER FINANCING SOURCES (USES)			
Transfers in	132,091	1,300,000	1,432,091
Transfers out	(10,000)	(35,104)	(45,104)
Total other financing sources (uses)	122,091	1,264,896	1,386,987
NET CHANGE IN FUND BALANCES	(217,820)	2,418,553	2,200,733
FUND BALANCES, BEGINNING OF YEAR	311,494	7,617,536	7,929,030
FUND BALANCES, END OF YEAR	$ 93,674	$ 10,036,089	$ 10,129,763

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, 2017

	T-SPLOST Capital Projects Fund	Other Capital Projects Fund	Total Nonmajor Capital Projects Funds
ASSETS			
Cash	$ 4,218,683	-	$ 4,218,683
Due from other funds	-	$ 5,823,565	5,823,565
Intergovernmental receivable	131,049	-	131,049
TOTAL ASSETS	$ 4,349,732	$ 5,823,565	$ 10,173,297
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	$ 126,104	-	$ 126,104
Due to other funds	11,104	-	11,104
Total liabilities	137,208	-	137,208
Fund balance:			
Restricted	4,212,524	-	4,212,524
Committed	-	$ 5,823,565	5,823,565
Total fund balance	4,212,524	5,823,565	10,036,089
TOTAL LIABILITIES AND FUND BALANCE	$ 4,349,732	$ 5,823,565	$ 10,173,297

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	T-SPLOST Capital Projects Fund	Other Capital Projects Fund	Total Nonmajor Capital Projects Funds
REVENUES			
Taxes	$ 1,643,251	-	$ 1,643,251
Interest	14,755	-	14,755
Total revenues	1,658,006	-	1,658,006
EXPENDITURES			
Capital outlay:			
Public works	504,349	-	504,349
Total expenditures	504,349	-	504,349
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,153,657	-	1,153,657
OTHER FINANCING SOURCES (USES)			
Transfers in	-	$ 1,300,000	1,300,000
Transfers out	(35,104)	-	(35,104)
Total other financing sources (uses)	(35,104)	1,300,000	1,264,896
NET CHANGE IN FUND BALANCES	1,118,553	1,300,000	2,418,553
FUND BALANCES, BEGINNING OF YEAR	3,093,971	4,523,565	7,617,536
FUND BALANCES, END OF YEAR	$ 4,212,524	$ 5,823,565	$ 10,036,089

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, 2017

	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	$ 13,360	$ 4,207	$ 3,381	$ 83,104	-	$ 42,940	$ 19,566
Accounts receivable	-	-	-	-	-	88,482	-
Due from other funds	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	488	-	$ 10,763	-	-
TOTAL ASSETS	$ 13,360	$ 4,207	$ 3,869	$ 83,104	$ 10,763	$ 131,422	$ 19,566
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	-	-	-	-	$ 1,200	$ 11,088	$ 9,156
Accrued payroll	-	-	-	-	-	13,411	-
Unearned revenue	-	-	-	-	5,117	-	-
Due to other funds	-	$ 3,376	-	-	4,446	177,131	-
Total liabilities	-	3,376	-	-	10,763	201,630	9,156
Fund balance:							
Restricted	$ 13,360	831	$ 3,869	$ 83,104	-	-	10,410
Unassigned	-	-	-	-	-	(70,208)	-
Total fund balance	13,360	831	3,869	83,104	-	(70,208)	10,410
TOTAL LIABILITIES AND FUND BALANCE	$ 13,360	$ 4,207	$ 3,869	$ 83,104	$ 10,763	$ 131,422	$ 19,566

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2017

	Victims Assistance Fund	Supplemental Juvenile Services Fund	Sheriff's Commissions Fund	Accountability Court Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash	$ 11,169	$ 7,073	$ 40,277	-	$ 225,077
Accounts receivable	-	-	-	-	88,482
Due from other funds	-	-	66,724	-	66,724
Intergovernmental receivable	388	-	-	$ 13,738	25,377
TOTAL ASSETS	$ 11,557	$ 7,073	$ 107,001	$ 13,738	$ 405,660
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	-	$ 50,957	$ 2,117	$ 74,518
Accrued payroll	-	-	-	-	13,411
Unearned revenue	-	-	-	-	5,117
Due to other funds	$ 15,000	-	-	18,987	218,940
Total liabilities	15,000	-	50,957	21,104	311,986
Fund balance:					
Restricted	-	$ 7,073	56,044	-	174,691
Unassigned	(3,443)	-	-	(7,366)	(81,017)
Total fund balance	(3,443)	7,073	56,044	(7,366)	93,674
TOTAL LIABILITIES AND FUND BALANCE	$ 11,557	$ 7,073	$ 107,001	$ 13,738	$ 405,660

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	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	-	-	-	$ 13,969	-	$ 367,598	-
Fees, fines and forfeitures	$ 13,464	$ 1,365	$ 10,414	10,850	-	-	$ 34,221
Intergovernmental	-	-	-	95,050	$ 57,140	-	-
Interest	-	5	13	618	-	79	126
Other	-	-	-	-	2,191	-	-
Total revenues	13,464	1,370	10,427	120,487	59,331	367,677	34,347
EXPENDITURES							
Current:							
Judicial	7,832	-	-	-	-	-	-
Public safety	-	3,915	1,386	-	37,480	527,417	64,303
Culture and recreation	-	-	-	121,301	-	-	-
Health and welfare	-	-	-	-	2,191	-	-
Capital outlay:							
Public safety	-	-	-	-	19,660	-	34,454
Total expenditures	7,832	3,915	1,386	121,301	59,331	527,417	98,757
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,632	(2,545)	9,041	(814)	-	(159,740)	(64,410)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	87,469	-
Transfers out	-	-	(10,000)	-	-	-	-
Total other financing sources (uses)	-	-	(10,000)	-	-	87,469	-
NET CHANGE IN FUND BALANCES	5,632	(2,545)	(959)	(814)	-	(72,271)	(64,410)
FUND BALANCES, BEGINNING OF YEAR	7,728	3,376	4,828	83,918	-	2,063	74,820
FUND BALANCES, END OF YEAR	$ 13,360	$ 831	$ 3,869	$ 83,104	$ -	$ (70,208)	$ 10,410

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Victims Assistance Fund	Supplemental Juvenile Services Fund	Sheriff's Commissions Fund	Accountability Court Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Charges for services	-	-	$ 234,359	-	$ 615,926
Fees, fines and forfeitures	$ 22,726	$ 4,036	-	$ 28,597	125,673
Intergovernmental	-	-	-	60,175	212,365
Interest	22	6	-	-	869
Other	-	-	-	-	2,191
Total revenues	22,748	4,042	234,359	88,772	957,024
EXPENDITURES					
Current:					
Judicial	-	1,350	-	153,285	162,467
Public safety	-	-	222,830	-	857,331
Culture and recreation	-	-	-	-	121,301
Health and welfare	30,000	-	-	-	32,191
Capital outlay:					
Public safety	-	-	69,531	-	123,645
Total expenditures	30,000	1,350	292,361	153,285	1,296,935
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,252)	2,692	(58,002)	(64,513)	(339,911)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	44,622	132,091
Transfers out	-	-	-	-	(10,000)
Total other financing sources (uses)	-	-	-	44,622	122,091
NET CHANGE IN FUND BALANCES	(7,252)	2,692	(58,002)	(19,891)	(217,820)
FUND BALANCES, BEGINNING OF YEAR	3,809	4,381	114,046	12,525	311,494
FUND BALANCES, END OF YEAR	$ (3,443)	$ 7,073	$ 56,044	$ (7,366)	$ 93,674

BURKE COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees, and forfeitures	-	$ 13,464	$ 13,464
EXPENDITURES			
Current:			
Judicial	$ 30,000	7,832	22,168
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(30,000)	5,632	35,632
FUND BALANCES, BEGINNING OF YEAR	7,728	7,728	-
FUND BALANCES, END OF YEAR	$ (22,272)	$ 13,360	$ 35,632

BURKE COUNTY, GEORGIA
DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 1,000	$ 1,365	$ 365
Interest	-	5	5
Total revenues	1,000	1,370	370
EXPENDITURES			
Current:			
Public safety	4,000	3,915	85
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,000)	(2,545)	455
FUND BALANCES, BEGINNING OF YEAR	3,376	3,376	-
FUND BALANCES, END OF YEAR	$ 376	$ 831	$ 455

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, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 12,000	$ 10,414	$ (1,586)
Interest	-	13	13
Total revenues	12,000	10,427	(1,573)
EXPENDITURES			
Current:			
Public safety	28,000	1,386	26,614
Total expenditures	28,000	1,386	26,614
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(16,000)	9,041	25,041
OTHER FINANCING USES			
Transfers out	-	(10,000)	(10,000)
NET CHANGE IN FUND BALANCES	(16,000)	(959)	15,041
FUND BALANCES, BEGINNING OF YEAR	4,828	4,828	-
FUND BALANCES, END OF YEAR	$ (11,172)	$ 3,869	$ 15,041

BURKE COUNTY, GEORGIA
PUBLIC LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	$ 90,700	$ 95,050	$ 4,350
Charges for services	8,150	13,969	5,819
Fines	9,550	10,850	1,300
Interest	150	618	468
Total revenues	108,550	120,487	11,937
EXPENDITURES			
Current:			
Culture and recreation	117,000	121,301	(4,301)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,450)	(814)	7,636
FUND BALANCES, BEGINNING OF YEAR	83,918	83,918	-
FUND BALANCES, END OF YEAR	$ 75,468	$ 83,104	$ 7,636

BURKE COUNTY, GEORGIA
SMALL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	-	$ 65,250	$ 57,140	$ (8,110)
Other	$ 5,500	5,500	2,191	(3,309)
Total revenues	5,500	70,750	59,331	(11,419)
EXPENDITURES				
Current:				
Public safety	-	45,590	37,480	8,110
Health and welfare	5,500	5,500	2,191	3,309
Capital Outlay:				
Public safety	-	19,660	19,660	-
Total expenditures	5,500	70,750	59,331	11,419
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING USES				
Transfers in	-	-	-	-
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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 395,000	$ 395,000	$ 367,598	$ (27,402)
Interest	-	-	79	79
Total revenues	395,000	395,000	367,677	(27,323)
EXPENDITURES				
Current:				
Public safety	516,750	482,469	527,417	(44,948)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(121,750)	(87,469)	(159,740)	(72,271)
OTHER FINANCING SOURCES				
Transfers in	121,750	87,469	87,469	-
NET CHANGE IN FUND BALANCES	-	-	(72,271)	(72,271)
FUND BALANCES, BEGINNING OF YEAR	2,063	2,063	2,063	-
FUND BALANCES, END OF YEAR	$ 2,063	$ 2,063	$ (70,208)	$ (72,271)

BURKE COUNTY, GEORGIA
JAIL SURCHARGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	$ 39,000	$ 34,221	$ (4,779)
Interest	-	126	126
Total revenues	39,000	34,347	(4,653)
EXPENDITURES			
Current:			
Public safety	75,904	64,303	11,601
Capital outlay:			
Public safety	23,096	34,454	(11,358)
Total expenditures	99,000	98,757	243
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(60,000)	(64,410)	(4,410)
FUND BALANCES, BEGINNING OF YEAR	74,820	74,820	-
FUND BALANCES, END OF YEAR	$ 14,820	$ 10,410	$ (4,410)

BURKE COUNTY, GEORGIA
VICTIMS ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 25,000	$ 22,726	$ (2,274)
Interest	-	22	22
Total revenues	25,000	22,748	(2,252)
EXPENDITURES			
Current:			
Health and welfare	30,000	30,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,000)	(7,252)	(2,252)
FUND BALANCES, BEGINNING OF YEAR	3,809	3,809	-
FUND BALANCES, END OF YEAR	$ (1,191)	$ (3,443)	$ (2,252)

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, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 5,500	$ 4,036	$ (1,464)
Interest	-	6	6
Total revenues	5,500	4,042	(1,458)
EXPENDITURES			
Current:			
Judicial	5,500	1,350	4,150
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	2,692	2,692
FUND BALANCES, BEGINNING OF YEAR	4,381	4,381	-
FUND BALANCES, END OF YEAR	$ 4,381	$ 7,073	$ 2,692

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, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Vendor commissions	$ 144,000	$ 234,359	$ 90,359
EXPENDITURES			
Current:			
Public safety	74,000	222,830	(148,830)
Capital outlay:			
Public safety	70,000	69,531	469
	144,000	292,361	(148,361)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(58,002)	(58,002)
FUND BALANCES, BEGINNING OF YEAR	114,046	114,046	-
FUND BALANCES, END OF YEAR	$ 114,046	$ 56,044	$ (58,002)

BURKE COUNTY, GEORGIA
ACCOUNTABILITY COURT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 38,000	$ 28,597	$ (9,403)
Intergovernmental	64,000	60,175	(3,825)
Total revenues	102,000	88,772	(13,228)
EXPENDITURES			
Current:			
Judicial	158,622	153,285	5,337
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(56,622)	(64,513)	(7,891)
OTHER FINANCING USES			
Transfers in	56,622	44,622	(12,000)
NET CHANGE IN FUND BALANCES	-	(19,891)	(19,891)
FUND BALANCES, BEGINNING OF YEAR	12,525	12,525	-
FUND BALANCES, END OF YEAR	$ 12,525	$ (7,366)	$ (19,891)

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, 2017

	Vehicle Maintenance	Facilities Maintenance	Total
ASSETS			
Current Assets:			
Interfund receivable	$ 347,706	$ 203,830	$ 551,536
Inventory	484,286	-	484,286
Total current assets	831,992	203,830	1,035,822
Noncurrent Assets:			
Capital Assets			
Buildings and improvements	-	557,193	557,193
Machinery and equipment	219,405	350,172	569,577
Less accumulated depreciation	(154,388)	(502,161)	(656,549)
Total Capital Assets	65,017	405,204	470,221
Total Assets	897,009	609,034	1,506,043
DEFERRED OUTFLOWS OF RESOURCES			
Resources related to pensions	131,990	75,868	207,858
LIABILITIES			
Current Liabilities:			
Accounts payable	51,903	34,993	86,896
Accrued payroll	18,336	11,431	29,767
Compensated absences payable	1,589	965	2,554
Total Current Liabilities	71,828	47,389	119,217
Long-Term Liabilities:			
Compensated absences payable (net of current portion)	14,303	8,690	22,993
Net pension obligation	445,520	256,084	701,604
Total Long-Term Liabilities	459,823	264,774	724,597
Total Liabilities	531,651	312,163	843,814
DEFERRED INFLOWS OF RESOURCES			
Resources related to pensions	18,050	10,375	28,425
NET POSITION			
Investment in capital assets	65,017	405,204	470,221
Unrestricted	414,281	(42,840)	371,441
Total Net Position	$ 479,298	$ 362,364	$ 841,662

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Vehicle Maintenance	Facilities Maintenance	Total
OPERATING REVENUES			
Charges for services	$ 2,066,603	$ 707,974	$ 2,774,577
Other	15,378	-	15,378
	2,081,981	707,974	2,789,955
OPERATING EXPENSES			
Salaries	503,085	283,726	786,811
Employee benefits	185,698	98,124	283,822
Purchased services	109,096	155,657	264,753
Materials and supplies	1,268,072	119,909	1,387,981
Depreciation	16,030	50,558	66,588
TOTAL OPERATING EXPENSES	2,081,981	707,974	2,789,955
CHANGE IN NET POSITION	-	-	-
NET POSITION, BEGINNING OF YEAR	479,298	362,364	841,662
NET POSITION, END OF YEAR	$ 479,298	$ 362,364	$ 841,662

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Vehicle Maintenance	Facilities Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund charges	$ 2,119,236	$ 682,292	$ 2,801,528
Cash payments to employees for salaries and benefits	(693,257)	(367,921)	(1,061,178)
Cash payments for goods and services	(1,425,979)	(274,203)	(1,700,182)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	40,168	40,168
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	-	(40,168)	(40,168)
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 (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	-	-	-
Depreciation	$ 16,030	$ 50,558	$ 66,588
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) decrease in assets:			
Interfund receivables	37,255	(25,682)	11,573
Inventory	(45,097)	-	(45,097)
(Increase) decrease in deferred outflows of resources - resources related to pensions	31,315	13,062	44,377
Increase (decrease) in deferred inflows of resources - resources related to pensions	18,050	10,375	28,425
Increase (decrease) in operating liabilities:			
Accounts payable	(3,714)	1,363	(2,351)
Accrued payroll	473	3,675	4,148
Compensated absences payable	3,241	4,541	7,782
Net pension obligation	(57,553)	(17,724)	(75,277)
Total cash provided (used) by operating activities	$ -	$ 40,168	$ 40,168

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, 2017

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Total
ASSETS						
Cash	$ 635,246	$ -	$ 128,603	$ 4,104	$ 33,554	$ 801,507
LIABILITIES						
Due to other entities and individuals	$ 635,246	$ -	$ 128,603	$ 4,104	$ 33,554	$ 801,507

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
Tax Commissioner				
Assets				
Cash	$ 635,773	$ 78,834,483	$ 78,835,010	$ 635,246
Liabilities				
Due to other entities and individuals	$ 635,773	$ 78,834,483	$ 78,835,010	$ 635,246
Probate Court				
Assets				
Cash	$ -	$ 48,576	$ 48,576	$ -
Liabilities				
Due to other entities and individuals	$ -	$ 48,576	$ 48,576	$ -
Clerk of Courts				
Assets				
Cash	$ 100,085	$ 923,355	$ 894,837	$ 128,603
Liabilities				
Due to other entities and individuals	$ 100,085	$ 923,355	$ 894,837	$ 128,603
Magistrate Court				
Assets				
Cash	$ 143	$ 222,947	$ 218,986	$ 4,104
Liabilities				
Due to other entities and individuals	$ 143	$ 222,947	$ 218,986	$ 4,104
Sheriff				
Assets				
Cash	$ 45,009	$ 340,031	$ 351,486	$ 33,554
Liabilities				
Due to other entities and individuals	$ 45,009	$ 340,031	$ 351,486	$ 33,554
Total Agency Funds				
Assets				
Cash	$ 781,010	$ 80,369,392	$ 80,348,895	$ 801,507
Liabilities				
Due to other entities and individuals	$ 781,010	$ 80,369,392	$ 80,348,895	$ 801,507

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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	$ 1,822,536	$ 1,780,640	$ 3,603,176	24%
Jail addition	2,000,000	-	-	-	0%
Burke County					
EOC/911 center	2,000,000	1,228,367	329,289	1,557,656	78%
Recreation improvements	1,000,000	309,012	-	309,012	31%
Industrial Park expansion	2,500,000	1,130,864	283,296	1,414,160	57%
Building construction and renovations	1,500,000	551,005	120,521	671,526	45%
Airport projects	200,000	26,042	188	26,230	13%
Roads and bridges projects and equipment	8,040,000	1,770,991	718,270	2,489,261	31%
Firetrucks	1,500,000	241,999	246,996	488,995	33%
Ambulances	600,000	-	269,000	269,000	45%
Patrol cars	500,000	209,427	26,036	235,463	47%
Water and sewer improvements	6,000,000	-	-	-	0%
Landfill building projects	340,000	314,825	-	314,825	93%
Waynesboro					
Water & sewer improvements, roads, streets, sidewalks, drainage improvements, buildings, patrol vehicles and utility equipment	10,140,000	4,586,782	1,149,052	5,735,834	57%
Sardis					
Water, sewer, and street improvements, recreation and beautification projects, capital equipment	2,340,000	1,058,487	265,165	1,323,652	57%
Midville					
Water and sewer system improvements, street improvements and major equipment, major police equipment, City Hall equipment, Community House improvements	1,170,000	529,244	132,583	661,827	57%
Keysville					
Water and sewer system projects, Multi-purpose building project, street & drainage improvements and equipment	780,000	352,829	88,388	441,217	57%
Girard					
Waterworks improvements, building renovations and additions, street and sidewalk improvements	390,000	176,413	44,194	220,607	57%
	$ 56,000,000	$ 14,308,823	5,453,618	$ 19,762,441	35%

Roads, streets, and bridge costs funded by state LMIG program	255,617
Roads, streets, and bridge costs funded by General Fund	130,155
Airport projects funded by federal and state grant funds	3,582
SPLOST III fund total expenditures	$ 5,842,972

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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, 2017, 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, 2018. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that

we consider to be material weaknesses. We did identify certain deficiencies in internal control, described below as 2017-1, that we consider to be a significant deficiency.

2017-1 **Bank Reconciliations – Sheriff's Department**

During our audit we noted that bank reconciliations were not being performed by the Sheriff's Department on a monthly basis for the Sheriff's fiduciary fund. Reconciling the bank statement in a timely manner on a monthly basis is an essential internal control and it is necessary to ensure the accuracy of the Department's receipts and disbursements. A fiduciary fund serves as a holding account for funds due to others. Therefore, in addition to reconciling the bank statement to the bank register, the staff of the Sheriff's department should also reconcile the ending cash balance to the subsequent month's disbursements plus any funds being held for others that are not immediately due out, such as cash bonds. During our review of the bank statements and monthly reports of the Sheriff's department, we noted several amounts that were paid out twice, as well as some deposits that were not included in the monthly receipts and disbursement reports. Reconciling on a monthly basis should allow staff to detect these errors and correct them in a timely manner.

County Response: We concur with this finding and will work with the Sheriff's department in any way we can to integrate bank reconciliations into their monthly closing procedures.

Compliance and Other Matters

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

Purpose of this Report

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

Lanier, Deal + Proctor

Statesboro, Georgia
March 27, 2018