BURKE COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2018

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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, 2018, 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 .03%, 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 .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 .03%, 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 .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, 2018, and the respective budgetary comparison for the General Fund and the Fire Protection Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the Net Pension Liability and Related Ratios and the Schedule of Contributions on pages 44 and 45 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

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 July 11, 2019, 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
July 11, 2019

BURKE COUNTY, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Health Department	Hospital Authority	Development Authority
ASSETS						
Current Assets:						
Cash	$ 5,515,697	-	$ 5,515,697	$ 471,817	$ 483,589	$ 2,713,407
Investments	35,739,441	-	35,739,441	462,149	-	250,000
Receivables:						
Taxes	1,281,280	-	1,281,280	-	-	-
Intergovernmental	1,061,382	$ 1,998	1,063,380	18,028	331,231	165,195
Internal balances	210,664	(210,664)	-	-	-	-
Other	71,401	40,483	111,884	69,067	874,708	1,375
Prepaid items	112,809	-	112,809	-	141,030	-
Inventories	547,463	-	547,463	-	143,703	-
Total Current Assets	44,540,137	(168,183)	44,371,954	1,021,061	1,974,261	3,129,977
Restricted Cash	-	-	-	-	11,409	-
Capital Assets:						
Nondepreciable capital assets	17,275,734	1,137,225	18,412,959	-	66,705	4,689,140
Depreciable capital assets, net	38,116,586	1,315,329	39,431,915	9,033	4,010,856	97,149
Total Capital Assets	55,392,320	2,452,554	57,844,874	9,033	4,077,561	4,786,289
Total Assets	99,932,457	2,284,371	102,216,828	1,030,094	6,063,231	7,916,266
DEFERRED OUTFLOWS OF RESOURCES						
Resources related to pensions	3,670,498	94,595	3,765,093	238,078	-	29,986
LIABILITIES						
Current Liabilities:						
Accounts payable	4,061,826	96,614	4,158,440	-	1,804,578	147,484
Intergovernmental payable	283,146	-	283,146	24,714	-	220,104
Accrued payroll	668,383	18,660	687,043	-	593,268	4,642
Retirement contributions payable	69,974	-	69,974	-	-	-
Unearned revenue	2,664	-	2,664	21,472	-	-
Compensated absences payable	66,427	1,997	68,424	-	-	126
Accrued landfill closure and postclosure care costs	-	19,580	19,580	-	-	-
Line of credit	-	-	-	-	87,931	-
Capital leases payable	-	-	-	-	96,158	-
Notes payable	-	-	-	-	1,573,485	-
Total Current Liabilities	5,152,420	136,851	5,289,271	46,186	4,155,420	372,356
Long-Term Liabilities:						
Net pension obligation	10,865,934	317,226	11,183,160	635,883	-	100,692
Other post employment benefits obligation	-	-	-	504,710	-	-
Compensated absences payable (net of current portion)	597,840	17,975	615,815	42,286	-	1,132
Accrued landfill closure and postclosure care costs (net of current portion)	-	1,938,449	1,938,449	-	-	-
Capital leases payable (net of current portion)	-	-	-	-	307,704	-
Notes payable (net of current portion)	-	-	-	-	2,408,718	-
Total Long-Term Liabilities	11,463,774	2,273,650	13,737,424	1,182,879	2,716,422	101,824
Total Liabilities	16,616,194	2,410,501	19,026,695	1,229,065	6,871,842	474,180
DEFERRED INFLOWS OF RESOURCES						
Resources related to pensions	1,551,567	42,762	1,594,329	64,836	-	11,634
NET POSITION						
Investment in capital assets	55,392,320	2,452,554	57,844,874	9,033	2,992,383	4,786,289
Restricted for:						
Capital projects	9,649,979	-	9,649,979	-	-	-
Other purposes	12,902,510	-	12,902,510	-	10,325	-
Unrestricted	7,490,385	(2,526,851)	4,963,534	(34,762)	(3,811,319)	2,674,149
Total Net Position	$ 85,435,194	$ (74,297)	$ 85,360,897	$ (25,729)	$ (808,611)	$ 7,460,438

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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	$ 2,552,852	$ 1,340,904	$ 233,115	-	$ (978,833)	-	$ (978,833)	-	-	-
Judicial	2,714,003	345,198	99,006	-	(2,269,799)	-	(2,269,799)	-	-	-
Public safety	20,196,977	2,744,649	105,137	$ 60,481	(17,286,710)	-	(17,286,710)	-	-	-
Public works	8,167,383	-	20,824	1,420,009	(6,726,550)	-	(6,726,550)	-	-	-
Health and welfare	7,369,133	-	93,558	-	(7,275,575)	-	(7,275,575)	-	-	-
Culture and recreation	2,006,360	145,688	95,050	-	(1,765,622)	-	(1,765,622)	-	-	-
Housing and development	1,349,645	108,338	23,318	26,428	(1,191,561)	-	(1,191,561)	-	-	-
Interest	-	-		-	-	-	-	-	-	-
Total governmental activities	44,356,353	4,684,777	670,008	1,506,918	(37,494,650)	-	(37,494,650)	-	-	-
Business-type Activities										
Solid Waste	1,994,478	427,202	-	-	-	$ (1,567,276)	(1,567,276)	-	-	-
Transit	420,038	108,646	-	157,935	-	(153,457)	(153,457)	-	-	-
Total business-type activities	2,414,516	535,848	-	157,935	-	(1,720,733)	(1,720,733)	-	-	-
Total - Primary Government	$ 46,770,869	$ 5,220,625	$ 670,008	$ 1,664,853	(37,494,650)	(1,720,733)	(39,215,383)	-	-	-
Component Units:										
Burke County Board of Health	$ 773,832	$ 245,574	$ 632,089	-				$ 103,831	-	-
Burke County Hospital Authority	13,750,862	8,436,942	-	$ 5,638,196				-	$ 324,276	-
Development Authority of Burke County	421,485	10,345	210,385	249,256				-	-	$ 48,501
Total Component Units	$ 14,946,179	$ 8,692,861	$ 842,474	$ 5,887,452				103,831	324,276	48,501
		General Revenues								
		Property taxes levied for:								
		General purposes			22,805,229	-	22,805,229	-	-	-
		Fire protection			9,492,573	-	9,492,573	-	-	-
		Sales taxes			10,729,136	-	10,729,136	-	-	-
		Insurance premium tax			1,001,495	-	1,001,495	-	-	-
		Other taxes			319,877	-	319,877	-	-	-
		Interest earned			523,173	-	523,173	19,381	10,133	6,324
		Miscellaneous			283,587	-	283,587	-	49,162	620,538
		Gain (loss) on sale of capital assets			-	(3,058)	(3,058)	-	356,250	39,549
		Total General Revenues			45,155,070	(3,058)	45,152,012	19,381	415,545	666,411
		Transfers			(1,649,494)	1,649,494	-	-	-	-
		Total General Revenues and Transfers			43,505,576	1,646,436	45,152,012	19,381	415,545	666,411
		Change in Net Position			6,010,926	(74,297)	5,936,629	123,212	739,821	714,912
		Net Position, Beginning of Year, as Restated			79,424,268	-	79,424,268	(148,941)	(1,548,432)	6,745,526
		Net Position, End of Year			$ 85,435,194	$ (74,297)	$ 85,360,897	$ (25,729)	$ (808,611)	$ 7,460,438

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	General	Fire Protection	SPLOST III	Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 1,122,513	$ 9,034	$ 3,696	-	$ 4,380,454	$ 5,515,697
Investments	26,722,166	-	6,575,170	-	2,442,105	35,739,441
Receivables:						
Taxes	1,266,438	14,842	-	-	-	1,281,280
Intergovernmental	287,484	-	203,876	-	570,022	1,061,382
Other	-	18,028	-	-	53,373	71,401
Due from other funds	1,720,034	6,117,906	-	$ 6,775,994	142,625	14,756,559
Prepaid items	112,809	-	-	-	-	112,809
TOTAL ASSETS	$ 31,231,444	$ 6,159,810	$ 6,782,742	$ 6,775,994	$ 7,588,579	$ 58,538,569
LIABILITIES						
Accounts payable	$ 764,562	$ 186,327	$ 2,077,254	$ -	$ 709,926	$ 3,738,069
Accrued payroll	379,835	248,251	-	-	6,370	634,456
Retirement contribution payable	69,974	-	-	-	-	69,974
Intergovernmental payable	-	-	3,080	-	280,066	283,146
Due to other funds	14,028,045	-	257,865	-	1,110,478	15,396,388
Unearned revenue	-	-	-	-	2,664	2,664
TOTAL LIABILITIES	15,242,416	434,578	2,338,199	-	2,109,504	20,124,697
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	24,485	8,935	-	-	-	33,420
FUND BALANCES						
Nonspendable	112,809	-	-	-	-	112,809
Restricted	-	5,716,297	4,444,543	-	5,615,655	15,776,495
Committed	-	-	-	6,775,994	-	6,775,994
Assigned	6,777,550	-	-	-	-	6,777,550
Unassigned	9,074,184	-	-	-	(136,580)	8,937,604
TOTAL FUND BALANCES	15,964,543	5,716,297	4,444,543	6,775,994	5,479,075	38,380,452
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 31,231,444	$ 6,159,810	$ 6,782,742	$ 6,775,994	$ 7,588,579	$ 58,538,569

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, 2018

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Fund Balances		$ 38,380,452
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	$ 109,382,747	
Less accumulated depreciation	(55,105,372)	54,277,375
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		33,420
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.		1,601,670
Deferred outflows related to pensions are not reported in the governmental funds.		3,482,851
Deferred inflows related to pensions are not reported in the governmental funds.		(1,471,036)
The County's net pension obligation is not reported in the governmental funds but is in the statement of net position.		(10,236,357)
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.		(633,181)
Net Position Of Governmental Activities		$ 85,435,194

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, 2018

	General	Fire Protection	SPLOST III	Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 27,852,129	$ 9,504,860	$ 1,951,949	-	$ 5,056,620	$ 44,365,558
Licenses and permits	114,688	-	-	-	-	114,688
Charges for services	1,910,105	1,152,003	-	-	747,030	3,809,138
Fees, fines and forfeitures	541,817	-	-	-	213,214	755,031
Intergovernmental	312,452	86,448	1,281,591	-	331,589	2,012,080
Interest	522,909	-	142,655	-	22,456	688,020
Other	249,227	1,698	-	-	38,584	289,509
Total revenues	31,503,327	10,745,009	3,376,195	-	6,409,493	52,034,024
EXPENDITURES						
Current:						
General government	2,243,885	-	-	-	-	2,243,885
Judicial	2,594,871	-	-	-	181,578	2,776,449
Public safety	8,918,162	10,219,645	-	-	980,337	20,118,144
Public works	4,455,428	-	-	-	-	4,455,428
Health and welfare	7,275,096	-	-	-	73,797	7,348,893
Culture and recreation	1,964,309	-	-	-	128,077	2,092,386
Housing and development	1,073,717	-	-	-	-	1,073,717
Capital outlay:						
Judicial	-	-	10,774,369	-	-	10,774,369
Public safety	-	910,671	489,527	-	12,750	1,412,948
Public works	-	-	2,674,178	-	2,634,102	5,308,280
Housing and development	-	-	369,111	-	280,066	649,177
Intergovernmental	-	-	516,566	-	1,108,982	1,625,548
Total expenditures	28,525,468	11,130,316	14,823,751	-	5,399,689	59,879,224
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,977,859	(385,307)	(11,447,556)	-	1,009,804	(7,845,200)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	38,845	-	-		-	38,845
Transfers in	-	1,040,000	3,224,007	$ 4,176,436	218,073	8,658,516
Transfers out	(7,515,599)	-	-	(3,224,007)	(55,000)	(10,794,606)
Total other financing sources (uses)	(7,476,754)	1,040,000	3,224,007	952,429	163,073	(2,097,245)
NET CHANGE IN FUND BALANCES	(4,498,895)	654,693	(8,223,549)	952,429	1,172,877	(9,942,445)
FUND BALANCES, OCTOBER 1, 2017	20,463,438	5,061,604	12,668,092	5,823,565	4,306,198	48,322,897
FUND BALANCES, SEPTEMBER 30, 2018	$ 15,964,543	$ 5,716,297	$ 4,444,543	$ 6,775,994	$ 5,479,075	$ 38,380,452

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, 2018

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

Net Change In Fund Balances - Total Governmental Funds		$ (9,942,445)
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	$ (3,664,324)	
Capital outlay	19,037,496	15,373,172
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 @ 9/30/18	33,420	
Unavailable revenue @ 9/30/17	(50,666)	(17,246)
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.		(94,909)
The internal service funds used by management to charge the costs of facilities and vehicle maintenance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.		760,008
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.		(5,525)
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.		(62,129)
Change In Net Position of Governmental Activities		$ 6,010,926

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, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 21,693,690	$21,693,690	$ 22,810,190	$ 1,116,500
Local option sales	4,100,000	4,100,000	3,720,567	(379,433)
Alcoholic beverage	70,000	70,000	76,765	6,765
Insurance premium	920,000	920,000	1,001,495	81,495
Other	151,000	151,000	243,112	92,112
Licenses and permits	96,800	96,800	114,688	17,888
Charges for services	1,802,250	1,802,250	1,910,105	107,855
Fees, fines and forfeitures	401,000	401,000	541,817	140,817
Intergovernmental	227,800	233,800	312,452	78,652
Interest	111,085	111,085	522,909	411,824
Other	107,200	224,005	249,227	25,222
Total revenues	29,680,825	29,803,630	31,503,327	1,699,697
EXPENDITURES				
Current:				
General government:				
Legislative	71,200	71,200	70,443	757
General administration	1,388,500	918,473	428,762	489,711
Elections	215,500	215,500	189,021	26,479
Board of equalization	14,950	14,950	8,523	6,427
Legal services	100,000	100,000	55,292	44,708
Data processing	25,000	32,250	33,450	(1,200)
Tax commissioner	488,246	498,296	507,793	(9,497)
Tax assessor	459,675	459,675	420,810	38,865
Risk management	460,000	460,000	420,254	39,746
Audit fees	30,000	30,000	28,007	1,993
Records management	52,750	52,750	65,848	(13,098)
CSRA Regional Commission	16,500	16,500	15,682	818
Total general government	3,322,321	2,869,594	2,243,885	625,709
Judicial:				
Clerk of Courts	606,800	608,527	604,586	3,941
Superior Court	428,030	428,030	398,717	29,313
State Court	25,800	25,800	26,631	(831)
State Court - Judge	76,400	76,400	69,860	6,540
State Court - Community Service	14,500	14,500	15,698	(1,198)
Solicitor's Office	203,600	203,600	189,178	14,422
Juvenile Court	107,800	107,800	104,527	3,273
District Attorney	170,000	170,000	168,878	1,122
Indigent defense	206,000	206,000	419,544	(213,544)
Magistrate Court	423,000	423,000	436,001	(13,001)
Probate Court	156,650	156,650	161,251	(4,601)
Total judicial	2,418,580	2,420,307	2,594,871	(174,564)
Public safety:				
Animal control	464,000	464,000	101,883	362,117
School resource officers	297,500	297,500	273,933	23,567
Coroner	58,250	58,250	54,028	4,222
Jail	3,108,102	3,108,102	3,184,176	(76,074)
Sheriff	5,244,732	5,295,881	5,304,142	(8,261)
Total public safety	9,172,584	9,223,733	8,918,162	305,571

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, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Highways and streets	$ 4,346,050	$ 4,442,153	$ 4,455,428	$ (13,275)
Health and welfare:				
Health department	284,800	284,800	330,672	(45,872)
Welfare	5,000	5,000	5,000	-
Senior citizens	286,200	286,200	273,738	12,462
Burke County Hospital Authority	4,500,000	6,700,000	6,665,686	34,314
Total health and welfare	5,076,000	7,276,000	7,275,096	904
Culture and recreation:				
Recreation	1,420,150	1,440,150	1,462,295	(22,145)
Museum	36,400	36,400	28,211	8,189
Library	471,470	476,486	473,803	2,683
Total culture and recreation	1,928,020	1,953,036	1,964,309	(11,273)
Housing and development:				
Burke Office Park	214,500	214,500	255,981	(41,481)
County agent	229,800	229,800	219,806	9,994
Soil conservation	36,350	36,350	36,162	188
Georgia Forestry Commission	34,000	34,000	32,631	1,369
Planning commission	290,354	290,354	289,443	911
Chamber of commerce	21,750	21,750	21,750	-
Airport	36,100	36,100	7,559	28,541
Development Authority	210,385	210,385	210,385	-
Total housing and development	1,073,239	1,073,239	1,073,717	(478)
Total expenditures	27,336,794	29,258,062	28,525,468	732,594
EXCESS OF REVENUES OVER EXPENDITURES	2,344,031	545,568	2,977,859	2,432,291
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,540,467)	(7,943,731)	(7,515,599)	428,132
Sale of capital assets	20,000	20,000	38,845	18,845
Total other financing sources (uses)	(7,520,467)	(7,923,731)	(7,476,754)	446,977
NET CHANGE IN FUND BALANCE	$ (5,176,436)	$ (7,378,163)	(4,498,895)	$ 2,879,268
FUND BALANCE, BEGINNING OF YEAR			20,463,438	
FUND BALANCE, END OF YEAR			$ 15,964,543	

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, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	$ 8,856,760	$ 9,504,860	$ 648,100
Charges for services	1,127,000	1,152,003	25,003
Intergovernmental	39,300	86,448	47,148
Other	5,000	1,698	(3,302)
Total revenues	10,028,060	10,745,009	716,949
EXPENDITURES			
Current:			
Public safety	9,743,143	10,219,645	(476,502)
Capital outlay:			
Public safety	1,324,917	910,671	414,246
Total public safety	11,068,060	11,130,316	(62,256)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,040,000)	(385,307)	654,693
OTHER FINANCING SOURCES			
Transfers in	1,040,000	1,040,000	-
NET CHANGE IN FUND BALANCE	$ -	654,693	$ 654,693
FUND BALANCE, BEGINNING OF YEAR		5,061,604	
FUND BALANCE, END OF YEAR		$ 5,716,297	

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
ASSETS				
Current Assets				
Accounts receivable	$ 40,483	-	$ 40,483	-
Intergovernmental	-	$ 1,998	1,998	-
Due from other funds	148,826	-	148,826	$ 850,493
Inventory	-	-	-	547,463
Total Current Assets	189,309	1,998	191,307	1,397,956
Noncurrent Assets				
Capital Assets				
Land	1,037,752	-	1,037,752	-
Buildings and improvements	435,768	-	435,768	1,103,976
Machinery and equipment	1,630,547	449,215	2,079,762	738,013
Construction in progress	99,473	-	99,473	-
Less accumulated depreciation	(1,075,024)	(125,177)	(1,200,201)	(727,044)
Total Capital Assets	2,128,516	324,038	2,452,554	1,114,945
Total Assets	2,317,825	326,036	2,643,861	2,512,901
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	75,159	19,436	94,595	187,647
LIABILITIES				
Current Liabilities				
Accounts payable	95,503	1,111	96,614	323,757
Accrued payroll	10,368	8,292	18,660	33,927
Compensated absences payable	1,588	409	1,997	3,108
Accrued landfill closure and postclosure care costs	19,580	-	19,580	-
Due to other funds	-	359,490	359,490	-
Total Current Liabilities	127,039	369,302	496,341	360,792
Long-Term Liabilities				
Compensated absences payable (net of current portion)	14,295	3,680	17,975	27,978
Net pension obligation	252,423	64,803	317,226	629,577
Accrued landfill closure and postclosure care costs (net of current portion)	1,938,449	-	1,938,449	-
Total Long-term Liabilities	2,205,167	68,483	2,273,650	657,555
Total Liabilities	2,332,206	437,785	2,769,991	1,018,347
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	28,560	14,202	42,762	80,531
NET POSITION				
Investment in capital assets	2,128,516	324,038	2,452,554	1,114,945
Unrestricted	(2,096,298)	(430,553)	(2,526,851)	486,725
Total Net Position	$ 32,218	$ (106,515)	$ (74,297)	$ 1,601,670

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, 2018

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	$ 381,076	$ 108,646	$ 489,722	$ 3,517,465
Other	46,126	-	46,126	1,247
Total revenues	427,202	108,646	535,848	3,518,712
OPERATING EXPENSES				
Salaries	297,102	187,599	484,701	891,679
Employee benefits	108,882	62,503	171,385	342,439
Purchased services	1,326,157	50,832	1,376,989	312,700
Materials and supplies	106,649	65,800	172,449	1,629,597
Depreciation	155,688	53,304	208,992	70,495
Total operating expenses	1,994,478	420,038	2,414,516	3,246,910
OPERATING INCOME (LOSS)	(1,567,276)	(311,392)	(1,878,668)	271,802
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	-	157,935	157,935	-
Gain (loss) on disposal of capital assets	-	(3,058)	(3,058)	1,610
Total non-operating revenues (expenses)	-	154,877	154,877	1,610
INCOME (LOSS) BEFORE TRANSFERS	(1,567,276)	(156,515)	(1,723,791)	273,412
TRANSFERS IN	1,599,494	50,000	1,649,494	486,596
CHANGE IN NET POSITION	32,218	(106,515)	(74,297)	760,008
NET POSITION, OCTOBER 1, 2017	-	-	-	841,662
NET POSITION, SEPTEMBER 30, 2018	$ 32,218	$ (106,515)	$ (74,297)	$ 1,601,670

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Transit	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 462,128	$ 139,046	$ 601,174	-
Cash received from interfund charges	-	-	-	$ 3,219,755
Cash payments to employees for salaries and benefits	(402,905)	(249,319)	(652,224)	(1,224,129)
Cash payments for goods and services	(1,498,664)	(116,324)	(1,614,988)	(1,768,612)
Net cash provided (used) by operating activities	(1,439,441)	(226,597)	(1,666,038)	227,014
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants	-	76,091	76,091	-
Advances from (to) other funds	(51,339)	100,506	49,167	-
Transfers in	1,599,494	-	1,599,494	486,596
Net cash provided (used) by noncapital financing activities	1,548,155	176,597	1,724,752	486,596
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers from capital projects fund	-	50,000	50,000	-
Proceeds from sale of assets	-	-	-	1,610
Purchase of capital assets	(108,714)	-	(108,714)	(715,220)
Net cash provided (used) by capital and related financing activities	(108,714)	50,000	(58,714)	(713,610)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-	-
CASH AND CASH EQUIVALENTS, OCTOBER 1, 2017	-	-	-	-
CASH AND CASH EQUIVALENTS, SEPTEMBER 30, 2018	$ -	$ -	$ -	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ (1,567,276)	$ (311,392)	$ (1,878,668)	$ 271,802
Adjustments:				
Depreciation	155,688	53,304	208,992	70,495
(Increase) decrease in operating assets:				
Accounts receivable	34,926	30,400	65,326	-
Interfund receivables	-	-	-	(298,957)
Inventory	-	-	-	(63,176)
(Increase) decrease in deferred outflow of resources - resources related to pensions	6,734	4,252	10,986	20,211
(Decrease) increase in deferred inflow of resources - resources related to pensions	17,361	10,963	28,324	52,106
Increase (decrease) in operating liabilities:				
Accounts payable	(100,479)	308	(100,171)	236,861
Accrued landfill closure and postclosure care costs	34,621	-	34,621	-
Accrued payroll	(1,417)	2,878	1,461	4,160
Compensated absences payable	4,401	(2,157)	2,244	5,539
Net pension obligation	(24,000)	(15,153)	(39,153)	(72,027)
Net cash provided (used) by operating activities	$ (1,439,441)	$ (226,597)	$ (1,666,038)	$ 227,014

See accompanying notes to the basic financial statements.

BURKE COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2018

ASSETS	
Cash	$ 900,894
LIABILITIES	
Due to other entities and individuals	$ 900,894

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.

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

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, 2018. 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, 2018. 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, 2018.

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, 2018, the County had the following investments:

Investments	Maturities	Fair Value	Credit Rating
Primary Government:			
Georgia Fund 1	Average of 62 days WAM	$ 35,739,441	AAAf
Discretely Presented Component Units -			
Development Authority of Burke County:			
Certificates of Deposit	-	$ 250,000	-
Burke County Board of Health:			
Pacific Life Index Fund	-	$ 462,149	-

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, 2018, the carrying amount of the County's deposits (checking and certificates of deposit) was $6,416,591 and the bank balance was $6,503,560. Of the bank balance, $1,611,301 was covered by federal depository insurance and $4,892,259 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, 2018, the carrying amount of deposits (checking and certificates of deposit) for the Development Authority of Burke County was $2,963,407 and the bank balance was $2,963,407. Of the bank balance, $500,000 was covered by federal depository insurance and $2,463,407 was collateralized by securities held by the pledging financial institution's trust department or agent in the Authority's name.

At June 30, 2018, the carrying amount of the Burke County Health Department's bank deposits was $471,817 and the bank balance was $480,658. Of the bank balance, $410,000 was covered by federal depository insurance and $70,658 was collateralized by securities held by the pledging financial institution's trust department or agent in the Health Department's name.

At May 31, 2018 the carrying amount of the Burke County Hospital Authority's bank deposits was $494,998 and the bank balance was $559,967. Of the bank balance, $532,058 was covered by federal depository insurance and $27,909 was uninsured and uncollateralized.

NOTE 3 – RECEIVABLES

Receivables at September 30, 2018, 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, 2018 follow:

Fund	Allowance for Uncollectibles
Fire Protection	$ 206,774
Solid Waste	826
General	121,839

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 18, 2017, and due February 28, 2018. A summary of the current year property tax levy is as follows:

	General Fund	Fire Protection Fund
Millage rates		
Unincorporated	5.974	2.696
Incorporated	6.221	2.696
Property tax levy	$ 21,691,796	$ 9,421,174
Property taxes receivable at September 30, 2018	$ 162,451	$ 59,367
Allowance for uncollectible accounts	(121,839)	(44,525)
Net property taxes receivable at September 30, 2018	$ 40,612	$ 14,842
Unavailable property tax revenue at September 30, 2018	$ 24,485	$ 8,935

NOTE 5 – PUBLIC UTILITIES TAX

Public Utility taxes accounted for approximately 84% 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, 2018, was as follows:

	Balance 10/1/2017	Additions	Deductions	Balance 9/30/2018
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 3,163,931	-	-	$ 3,163,931
Construction in progress	3,011,076	$ 11,100,727	-	14,111,803
Total capital assets not being depreciated	6,175,007	11,100,727	-	17,275,734
Capital assets being depreciated:				
Infrastructure	44,665,014	5,196,461	-	49,861,475
Buildings and improvements	21,311,966	910,600	-	22,222,566
Furniture, fixtures, and equipment	19,969,330	2,544,928	$ 649,297	21,864,961
Total capital assets being depreciated	85,946,310	8,651,989	649,297	93,949,002
Total capital assets	92,121,317	19,752,716	649,297	111,224,736
Accumulated depreciation:				
Infrastructure	27,321,841	1,638,826	-	28,960,667
Buildings and improvements	10,787,016	579,777	-	11,366,793
Furniture, fixtures, and equipment	14,543,126	1,516,216	554,386	15,504,956
Total accumulated depreciation	52,651,983	3,734,819	554,386	55,832,416
Governmental activities capital assets, net	$ 39,469,334	$ 16,017,897	$ 94,911	$ 55,392,320

Depreciation expense was charged to functions as follows:

General government	$ 319,646
Public safety	1,042,077
Culture and recreation	187,574
Health and welfare	20,241
Public works	2,092,149
Housing and development	2,636
Vehicle maintenance internal service fund	17,413
Facility maintenance internal service fund	53,083
Total governmental activities depreciation expense	$ 3,734,819

NOTE 6 – CAPITAL ASSETS - Continued

Business-type capital asset activity for the year ended September 30, 2018 was as follows:

	Balance 10/1/2017	Additions	Deductions	Balance 9/30/2018
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 1,037,752	-	-	$ 1,037,752
Construction in progress	-	$ 99,473	-	99,473
Total capital assets not being depreciated	1,037,752	99,473	-	1,137,225
Capital assets being depreciated:				
Buildings	318,235	-	-	318,235
Improvements other than buildings	117,533	-	-	117,533
Machinery and equipment	2,117,132	91,084	$ 128,454	2,079,762
Total capital assets being depreciated	2,552,900	91,084	128,454	2,515,530
Total capital assets	3,590,652	91,084	128,454	3,652,755
Accumulated depreciation:				
Buildings	34,151	9,485	-	43,636
Improvements other than buildings	91,862	4,741	-	96,603
Machinery and equipment	990,592	194,766	125,396	1,059,962
Total accumulated depreciation	1,116,605	208,992	125,396	1,200,201
Business-type activities capital assets, net	$ 2,474,047	$ (117,908)	$ 3,058	$ 2,452,554

Depreciation expense was charged as follows:

Solid Waste Fund	$ 155,688
Transit Fund	53,304
Total business-type activities depreciation expense	$ 208,992

NOTE 6 – CAPITAL ASSETS – Continued

Capital asset activity for the Development Authority component unit for the year ended September 30, 2018 was as follows:

	Balance 10/1/2017	Additions	Deductions	Balance 9/30/2018
Capital assets not being depreciated:				
Land	$ 21,852	-	-	$ 21,852
Land held for sale	4,496,099	-	$ 6,169	4,489,930
Construction in progress	-	$ 177,358	-	177,358
Total capital assets not being depreciated	4,517,951	177,358	6,169	4,689,140
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	38,897	2,636	-	41,533
Machinery and equipment	13,054	3,643	-	16,697
Improvements	4,901	1,850	-	6,751
Total accumulated depreciation	56,852	8,129	-	64,981
Development Authority capital assets, net	$ 4,623,229	$ 169,229	$ 6,169	$ 4,786,289

Capital asset activity for the Health Department component unit for the year ended June 30, 2018 was as follows:

	Balance 07/01/17	Additions	Deductions	Balance 06/30/18
Capital assets being depreciated:				
Machinery and equipmnt	$ 187,195	-	$ -	$ 187,195
Accumulated depreciation:				
Machinery and equipment	173,139	$ 5,023	-	178,162
Health Department capital assets, net	$ 14,056	$ (5,023)	$ -	$ 9,033

NOTE 6 – CAPITAL ASSETS – Continued

Capital asset activity for the Hospital Authority component unit for the year ended May 31, 2018 was as follows:

	Balance 06/01/17	Additions	Deductions	Balance 05/31/18
Capital assets not being depreciated:				
Land	$ 66,705	-	-	$ 66,705
Capital assets being depreciated:				
Buildings and improvements	11,420,330	$ 837	-	11,421,167
Machinery and equipment	8,032,537	930,090	$ 327,899	8,634,728
Total capital assets being depreciated	19,452,867	930,927	327,899	20,055,895
Total capital assets at historical cost	19,519,572	930,927	327,899	20,122,600
Less accumulated depreciation	(15,663,344)	(567,816)	186,121	(16,045,039)
Hospital Authority capital assets, net	$ 3,856,228	$ 363,111	$ 141,778	$ 4,077,561

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, 2018:

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018	Amounts Due In One Year
Governmental Activities:					
Compensated absences payable	$ 596,599	$ 1,235,319	$ 1,167,651	$ 664,267	$ 66,427
Net pension obligation	12,320,710	-	1,454,776	10,865,934	-
Total Governmental Activities	$ 12,917,309	$ 1,235,319	$ 2,622,427	$ 11,530,201	$ 66,427

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018	Amounts Due In One Year
Business-Type Activities:					
Compensated absences payable	$ 17,728	$ 32,154	$ 29,910	$ 19,972	$ 1,997
Accrued landfill closure and postclosure care costs	1,923,408	34,621	-	1,958,029	19,580
Net pension obligation	356,379	-	39,153	317,226	-
Total Business-Type Activities	$ 2,297,515	$ 66,775	$ 69,063	$ 2,295,227	$ 21,577

NOTE 7 – LONG-TERM DEBT – Continued

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

	Balance July 1, 2017, As restated	Additions	Reductions	Balance June 30, 2018	Amounts Due In One Year
Health Department:					
Net pension obligation	$ 679,667	-	$ 43,784	$ 635,883	$ -
OPEB obligation	573,919	-	69,209	504,710	-
Compensated absences payable	43,146	$ 33,484	34,344	42,286	-
Total Health Department	$ 1,296,732	$ 33,484	$ 147,337	$ 1,182,879	$ -

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018	Amounts Due In One Year
Development Authority:					
Net pension obligation	$ 110,581	-	$ 9,889	$ 100,692	-
Compensated absences payable	1,784	$ 8,033	8,559	1,258	$ 126
Total Development Authority	$ 112,365	$ 8,033	$ 18,448	$ 101,950	$ 126

	Balance June 1, 2017	Additions	Reductions	Balance May 31, 2018	Amounts Due In One Year
Hospital Authority:					
Series 2013A Certificate	$ 141,647	-	$ 36,951	$ 104,696	$ 36,951
Series 2013B Taxable Note	4,612,852	-	1,313,049	3,299,803	1,313,049
Note Payable	741,593	-	163,889	577,704	223,485
Capital leases payable	-	$ 403,862	-	403,862	223,485
Total HospitalAuthority	$ 5,496,092	$ 403,862	$ 1,513,889	$ 4,386,065	$ 1,796,970

NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

Excess expenditures over appropriations for the year ended September 30, 2018 in the following departments in the general fund:

	Overexpenditures
Current:	
Data Processing	$ 1,200
Tax Commissioner	9,497
Records Management	13,098
State Court	831
State Court - Community Service	1,198
Indigent Defense	213,544
Magistrate Court	13,001
Probate Court	4,601
Jail	76,074
Sheriff	8,261
Highways and streets	13,275
Health Department	45,872
Recreation	22,145
Burke Office Park	41,481

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:	
Fire Protection	$ 62,256
Public Library	6,573
Sheriff's Commissions	209,316
Accountability Court	4,120

NOTE 9 – DEFICIT FUND BALANCES/NET POSITION

The following special revenue funds had deficit fund balances at September 30, 2018:

Small Grants Fund	$ 16,107
Emergency Telephone System Fund	115.387
Large Grants Fund	2,659
Accountability Court Fund	2,427

These deficit fund balances will be reduced by future grant revenues, charges for services, and future transfers from the County's General fund.

The Transit enterprise fund had a deficit net position of $106,515 at September 30, 2018, which will be reduced by future Transit revenue and transfers from the General Fund.

NOTE 10 – INTERFUND RECEIVABLES, INTERFUND PAYABLES AND TRANSFERS

A summary of interfund receivables and payables as of September 30, 2018, 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	$ 4,000
	Drug Enforcement Fund	3,376
	Drug Treatment & Education Fund	9,642
	Emergency telephone system	233,286
	Small Grants Fund	62,969
	Accountability court	25,004
	Transit	359,490
	SPLOST III	257,865
	TSPLOST	764,402
Other capital projects	General	6,775,994
Sheriff's commissions	General	132,862
Fire protection	General	6,117,906
Solid Waste	General	148,826
Large grants	General	1,964
Vehicle maintenance	General	463,996
Facility maintenance	General	386,497
Jail Surcharge	Small Grants Fund	7,799
Total		$ 15,755,878

A summary of transfers for the year ended September 30, 2018 is as follows:

	Transfers From:				
Transfers To:	General Fund	T-SPLOST Fund	Drug Treatment & Education Fund	Other Capital Projects Fund	Total
Fire Protection Fund	$ 1,040,000	-	-	-	$ 1,040,000
E911 Fund	133,007	-	-	-	133,007
Solid Waste Fund	1,599,494	-	-	-	1,599,494
Large Grants Fund	44,071	-	-	-	44,071
Transit Fund	-	$ 50,000	-	-	50,000
Accountability Court Fund	35,995	-	$ 5,000	-	40,995
SPLOST III Fund	-	-	-	$ 3,224,007	3,224,007
Other Capital Projects Fund	4,176,436	-	-	-	4,176,436
Vehicle Maintenance Fund	114,096	-	-	-	114,096
Facility Maintenance Fund	372,500	-	-	-	372,500
Total	$ 7,515,599	$ 50,000	$ 5,000	$ 3,224,007	$ 10,794,606

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

NOTE 11 – FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2018, governmental fund balances are composed of the following:

	General Fund	Fire Protection	SPLOST III	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Nonspendable - Prepaid items	$ 112,809	-	-	-	-	$ 112,809
Restricted:						
Capital projects	-	-	$4,444,543	-	$ 5,205,436	9,649,979
Fire protection	-	$5,716,297	-	-	-	5,716,297
Sheriff	-	-	-	-	166,870	166,870
Law library	-	-	-	-	20,498	20,498
Drug enforcement	-	-	-	-	35,271	35,271
Public library	-	-	-	-	84,136	84,136
Drug education	-	-	-	-	3,952	3,952
Jail	-	-	-	-	83,120	83,120
Emergency telephone system	-	-	-	-	-	-
Victims assistance	-	-	-	-	6,889	6,889
Juvenile services	-	-	-	-	9,483	9,483
Accountability court	-	-	-	-	-	-
Total restricted	-	5,716,297	4,444,543	-	5,615,655	15,776,495
Committed - Judicial Center	-	-	-	$6,775,994	-	6,775,994
Assigned - subsequent year's budget	6,777,550	-	-	-	-	6,777,550
Unassigned	9,074,184	-	-	-	(136,580)	8,937,604
Total fund balances	$15,964,543	$5,716,297	$4,444,543	$6,775,994	$ 5,479,075	$ 38,380,452

NOTE 12 – 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 12 – 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	70
Deferred vested (former employees)	156
Active participants	271
Total plan participants	497
Covered Compensation	$ 12,073,955

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, 2017 were $1,860,344 which represents 15.4% of covered employee payroll.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017.

NOTE 12 – RETIREMENT PLAN – Continued

Actuarial Assumptions

The total pension liability in the January 1, 2017 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, 2017 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 12 – 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, 2017	$ 31,291,609	$ 18,503,939	$ 12,787,670
Changes for the year:			
Service cost	733,717	-	733,717
Interest on the total pension liability	2,219,856	-	2,219,856
Liability expense (gain)/loss	27,840	-	27,840
Assumption change	70,551	-	70,551
Contributions from the employer	-	1,860,344	(1,860,344)
Net investment income	-	2,924,504	(2,924,504)
Administrative expenses	-	(59,249)	59,249
Benefit payments	(1,345,834)	(1,345,834)	-
Other changes	-	(169,817)	169,817
Net Changes	1,706,130	3,209,948	(1,503,818)
Balance, December 31, 2017	$ 32,997,739	$ 21,713,887	$ 11,283,852 *

*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	$ 15,853,040	$ 11,283,852	$ 7,491,932

NOTE 12 – RETIREMENT PLAN – Continued

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2018, the County recognized pension expense of $2,253,465. At September 30, 2018, 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	$ 1,685,884		-	
Net differences between projected and actual net investment income	572,043		$ 1,217,404	
Liability experience gain/loss	456,172		388,559	
Assumption change	1,080,980		-	
	$ 3,795,079	*	$ 1,605,963	*

*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	
2019	$ 2,159,459
2020	473,575
2021	(154,222)
2022	(289,696)
	$ 2,189,116

NOTE 13 – 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 $1,958,029 as of September 30, 2018. 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, 2018. However, the actual cost of postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 14 – 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, 2018, the County paid $15,682 in such dues, which was based on a per capita amount of $.55. The CSRA RC Board membership is composed of one County official, one city official, and one private sector individual from each county. O.C.G.A. §58-8-39.1 provides that the County is liable for any debts or obligations of the CSRA RC. The Comprehensive Annual Financial Report of the CSRA RC may be obtained from:

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

NOTE 15 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County maintains commercial insurance coverage covering those risks of loss. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. As of September 30, 2018, 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 15 – 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, 2018, are as follows:

Unpaid claims, October 1, 2017	$ 337,735
Incurred claims	159,711
Claim payments	(290,609)
Adjustments	291,247
Unpaid claims, September 30, 2018	$ 498,084

NOTE 16 – COMMITMENTS AND CONTINGENCIES

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

NOTE 17 – SUBSEQUENT EVENTS

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through July 11, 2019, the date the financial statements were available to be issued.

NOTE 18 – CONTINGENT LIABILITY FOR BURKE COUNTY HOSPITAL AUTHORITY

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

Total outstanding long-term debt for the Hospital Authority as of September 30, 2018 was $3,982,203. Scheduled principal and interest payments on this long-term debt are as follows:

Year ending September 30,	Principal	Interest	Total
2019	$ 1,573,485	$ 80,955	$ 1,654,440
2020	1,528,788	37,263	1,566,051
2021	879,930	7,546	887,476
	$ 3,982,203	$ 125,764	$ 4,107,967

NOTE 19 – 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 Commissioner's fiscal year ending September 30, 2018, the cumulative real and personal property tax not collected due to incentive agreements was $108,370.

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, 2018

	2018 (1)	2017 (1)	2016 (1)	2015 (1)
Total pension liability				
Service cost	$ 733,717	$ 677,762	$ 667,642	$ 629,361
Interest	2,219,856	2,158,989	1,927,851	1,844,208
Liability Experience (Gain)/Loss	27,840	(647,599)	1,054,616	-
Assumption Change	70,551	966,954	1,081,367	-
Benefit Payments	(1,345,834)	(1,302,013)	(1,997,278)	(719,374)
Net change in total pension liability	1,706,130	1,854,093	2,734,198	1,754,195
Total pension liability-beginning	31,291,609	29,437,516	26,703,318	24,949,123
Total pension liability-ending (a)	$ 32,997,739	$ 31,291,609	$ 29,437,516	$ 26,703,318
Plan fiduciary net position				
Contributions-employer	$ 1,860,344	$ 1,741,052	$ 1,091,379	$ 1,029,499
Net investment income	2,924,504	1,230,468	144,802	1,232,806
Benefit Payments	(1,345,834)	(1,302,013)	(1,997,278)	(719,374)
Administrative expense	(59,249)	(62,691)	(61,855)	(57,294)
Other changes	(169,817)	(209,147)	(172,681)	(183,427)
Net change in plan fiduciary net position	3,209,948	1,397,669	(995,633)	1,302,210
Plan fiduciary net position-beginning	18,503,939	17,106,270	18,101,903	16,799,693
Plan fiduciary net position-ending (b)	$ 21,713,887	$ 18,503,939	$ 17,106,270	$ 18,101,903
Net pension liability-ending (a)-(b)	$ 11,283,852	$ 12,787,670	$ 12,331,246	$ 8,601,415
Plan fiduciary net position as a percentage of the total pension liability	65.8%	59.1%	58.1%	67.8%
Covered-employee payroll	$ 12,073,955	$ 12,002,527	$ 12,386,845	$ 11,843,126
Net pension liability as a percentage of covered-employee payroll	93.5%	106.5%	99.6%	72.6%

(1) Only fiscal years 2018, 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, 2018

	2018	2017	2016	2015
Actuarially determined contribution	*	$1,815,997	$1,640,367	$1,091,379
Contributions in relation to the actuarially determined contribution	*	(1,860,344)	(1,741,052)	(1,091,379)
Contribution deficiency (excess)	*	$ (44,347)	$ (100,685)	$ -
Covered-employee payroll	*	12,073,955	12,002,527	12,386,845
Contributions as a percentage of covered-employee payroll	*	15.4%	14.5%	8.8%

*2018 information will be determined after fiscal year end and will be included in the 2018 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, 2018

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Funds
ASSETS			
Cash	$ 392,992	$ 3,987,462	$ 4,380,454
Investments	-	2,442,105	2,442,105
Accounts receivable	53,373	-	53,373
Due from other funds	142,625	-	142,625
Intergovernmental receivable	115,051	454,971	570,022
TOTAL ASSETS	$ 704,041	$ 6,884,538	$ 7,588,579
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	$ 75,292	$ 634,634	$ 709,926
Accrued payroll	6,370	-	6,370
Unearned revenue	2,664	-	2,664
Intergovernmental payable	-	280,066	280,066
Due to other funds	346,076	764,402	1,110,478
Total liabilities	430,402	1,679,102	2,109,504
Fund balance:			
Restricted	410,219	5,205,436	5,615,655
Unassigned	(136,580)	-	(136,580)
Total fund balance	273,639	5,205,436	5,479,075
TOTAL LIABILITIES AND FUND BALANCE	$ 704,041	$ 6,884,538	$ 7,588,579

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Funds
REVENUES			
Taxes	-	$ 5,056,620	$ 5,056,620
Charges for services	$ 747,030	-	747,030
Fees, fines and forfeitures	213,214	-	213,214
Intergovernmental	331,589	-	331,589
Interest	264	22,192	22,456
Other	38,584	-	38,584
Total revenues	1,330,681	5,078,812	6,409,493
EXPENDITURES			
Current:			
Judicial	181,578	-	181,578
Public safety	980,337	-	980,337
Culture and recreation	128,077	-	128,077
Health and welfare	73,797	-	73,797
Capital outlay:			
Public safety	-	12,750	12,750
Public works	-	2,634,102	2,634,102
Housing and development	-	280,066	280,066
Intergovernmental	-	1,108,982	1,108,982
Total expenditures	1,363,789	4,035,900	5,399,689
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(33,108)	1,042,912	1,009,804
OTHER FINANCING SOURCES (USES)			
Transfers in	218,073	-	218,073
Transfers out	(5,000)	(50,000)	(55,000)
Total other financing sources (uses)	213,073	(50,000)	163,073
NET CHANGE IN FUND BALANCES	179,965	992,912	1,172,877
FUND BALANCES, BEGINNING OF YEAR	93,674	4,212,524	4,306,198
FUND BALANCES, END OF YEAR	$ 273,639	$ 5,205,436	$ 5,479,075

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.

SPLOST IV 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.

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2018

	T-SPLOST Capital Projects Fund	SPLOST IV Capital Projects Fund	Total Nonmajor Capital Projects Funds
ASSETS			
Cash	$ 3,986,462	$ 1,000	$ 3,987,462
Investments	-	2,442,105	2,442,105
Intergovernmental receivable	133,949	321,022	454,971
TOTAL ASSETS	$ 4,120,411	$ 2,764,127	$ 6,884,538
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	$ 126,494	$ 508,140	$ 634,634
Intergovernmental payable	-	280,066	280,066
Due to other funds	764,402	-	764,402
Total liabilities	890,896	788,206	1,679,102
Fund balance:			
Restricted	3,229,515	1,975,921	5,205,436
Total fund balance	3,229,515	1,975,921	5,205,436
TOTAL LIABILITIES AND FUND BALANCE	$ 4,120,411	$ 2,764,127	$ 6,884,538

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	T-SPLOST Capital Projects Fund	SPLOST IV Capital Projects Fund	Total Nonmajor Capital Projects Funds
REVENUES			
Taxes	$ 1,684,479	$ 3,372,141	$ 5,056,620
Interest	16,585	5,607	22,192
Total revenues	1,701,064	3,377,748	5,078,812
EXPENDITURES			
Capital outlay:			
Public safety	-	12,750	12,750
Public works	2,634,073	29	2,634,102
Housing and development	-	280,066	280,066
Intergovernmental	-	1,108,982	1,108,982
Total expenditures	2,634,073	1,401,827	4,035,900
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(933,009)	1,975,921	1,042,912
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	-	(50,000)
NET CHANGE IN FUND BALANCES	(983,009)	1,975,921	992,912
FUND BALANCES, BEGINNING OF YEAR	4,212,524	-	4,212,524
FUND BALANCES, END OF YEAR	$ 3,229,515	$ 1,975,921	$ 5,205,436

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.

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

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, 2018

	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	$ 20,498	$ 38,647	$ 13,594	$ 84,136	-	$ 79,011	$ 67,618
Accounts receivable	-	-	-	-	-	45,670	7,703
Due from other funds	-	-	-	-	-	-	7,799
Intergovernmental receivable	-	-	-	-	$ 88,986	-	-
TOTAL ASSETS	$ 20,498	$ 38,647	$ 13,594	$ 84,136	$ 88,986	$ 124,681	$ 83,120
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	-	-	-	-	$ 31,661	$ 412	-
Accrued payroll	-	-	-	-	-	6,370	-
Unearned revenue	-	-	-	-	2,664	-	-
Due to other funds	-	$ 3,376	$ 9,642	-	70,768	233,286	-
Total liabilities	-	3,376	9,642	-	105,093	240,068	-
Fund balance:							
Restricted	$ 20,498	35,271	$ 3,952	$ 84,136	-	-	$ 83,120
Unassigned	-	-	-	-	(16,107)	(115,387)	-
Total fund balance	20,498	35,271	3,952	84,136	(16,107)	(115,387)	83,120
TOTAL LIABILITIES AND FUND BALANCE	$ 20,498	$ 38,647	$ 13,594	$ 84,136	$ 88,986	$ 124,681	$ 83,120

BURKE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2018

	Victims Assistance Fund	Supplemental Juvenile Services Fund	Sheriff's Commissions Fund	Large Grants Fund	Accountability Court Fund	Total Nonmajor Special Revenue Funds
ASSETS						
Cash	$ 10,158	$ 9,483	$ 69,747	$ 100	-	$ 392,992
Accounts receivable	-	-	-	-	-	53,373
Due from other funds	-	-	132,862	1,964	-	142,625
Intergovernmental receivable	731	-	-	-	$ 25,334	115,051
TOTAL ASSETS	$ 10,889	$ 9,483	$ 202,609	$ 2,064	$ 25,334	$ 704,041
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	-	-	$ 35,739	$ 4,723	$ 2,757	$ 75,292
Accrued payroll	-	-	-	-	-	6,370
Unearned revenue	-	-	-	-	-	2,664
Due to other funds	$ 4,000	-	-	-	25,004	346,076
Total liabilities	4,000	-	35,739	4,723	27,761	430,402
Fund balance:						
Restricted	6,889	$ 9,483	166,870	-	-	410,219
Unassigned	-	-	-	(2,659)	(2,427)	(136,580)
Total fund balance	6,889	9,483	166,870	(2,659)	(2,427)	273,639
TOTAL LIABILITIES AND FUND BALANCE	$ 10,889	$ 9,483	$ 202,609	$ 2,064	$ 25,334	$ 704,041

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	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	-	-	-	$ 18,923	-	$ 372,965	-
Fees, fines and forfeitures	$ 22,451	$ 35,256	$ 9,713	10,855	-	-	$ 57,146
Intergovernmental	-	-	-	95,050	$ 132,925	-	15,501
Interest	-	9	12	57	-	78	63
Other	-	-	-	4,224	34,144	216	-
Total revenues	22,451	35,265	9,725	129,109	167,069	373,259	72,710
EXPENDITURES							
Current:							
Judicial	15,313	-	-	-	-	-	-
Public safety	-	825	4,642	-	179,109	551,445	-
Culture and recreation	-	-	-	128,077	-	-	-
Health and welfare	-	-	-	-	4,067	-	-
Total expenditures	15,313	825	4,642	128,077	183,176	551,445	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,138	34,440	5,083	1,032	(16,107)	(178,186)	72,710
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	133,007	-
Transfers out	-	-	(5,000)	-	-	-	-
Total other financing sources (uses)	-	-	(5,000)	-	-	133,007	-
NET CHANGE IN FUND BALANCES	7,138	34,440	83	1,032	(16,107)	(45,179)	72,710
FUND BALANCES, BEGINNING OF YEAR	13,360	831	3,869	83,104	-	(70,208)	10,410
FUND BALANCES, END OF YEAR	$ 20,498	$ 35,271	$ 3,952	$ 84,136	$ (16,107)	$ (115,387)	$ 83,120

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Victims Assistance Fund	Supplemental Juvenile Services Fund	Sheriff's Commissions Fund	Large Grants Fund	Accountability Court Fund	Total Nonmajor Special Revenue Funds
REVENUES						
Charges for services	-	-	$ 355,142	-	-	$ 747,030
Fees, fines and forfeitures	$ 33,294	$ 2,403	-	-	$ 42,096	213,214
Intergovernmental	-	-	-	-	88,113	331,589
Interest	38	7	-	-	-	264
Other	-	-	-	-	-	38,584
Total revenues	33,332	2,410	355,142	-	130,209	1,330,681
EXPENDITURES						
Current:						
Judicial	-	-	-	-	166,265	181,578
Public safety	-	-	244,316	-	-	980,337
Culture and recreation	-	-	-	-	-	128,077
Health and welfare	23,000	-	-	$ 46,730	-	73,797
Total expenditures	23,000	-	244,316	46,730	166,265	1,363,789
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,332	2,410	110,826	(46,730)	(36,056)	(33,108)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	44,071	40,995	218,073
Transfers out	-	-	-	-	-	(5,000)
Total other financing sources (uses)	-	-	-	44,071	40,995	213,073
NET CHANGE IN FUND BALANCES	10,332	2,410	110,826	(2,659)	4,939	179,965
FUND BALANCES, BEGINNING OF YEAR	(3,443)	7,073	56,044	-	(7,366)	93,674
FUND BALANCES, END OF YEAR	$ 6,889	$ 9,483	$ 166,870	$ (2,659)	$ (2,427)	$ 273,639

BURKE COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees, and forfeitures	$ 9,000	$ 22,451	$ 13,451
EXPENDITURES			
Current:			
Judicial	16,000	15,313	687
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,000)	7,138	14,138
FUND BALANCES, BEGINNING OF YEAR	13,360	13,360	-
FUND BALANCES, END OF YEAR	$ 6,360	$ 20,498	$ 14,138

BURKE COUNTY, GEORGIA
DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ -	$ 35,256	$ 35,256
Interest	-	9	9
Total revenues	-	35,265	35,265
EXPENDITURES			
Current:			
Public safety	3,000	825	2,175
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,000)	34,440	37,440
FUND BALANCES, BEGINNING OF YEAR	831	831	-
FUND BALANCES, END OF YEAR	$ (2,169)	$ 35,271	$ 37,440

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, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 10,000	$ 9,713	$ (287)
Interest	-	12	12
Total revenues	10,000	9,725	(275)
EXPENDITURES			
Current:			
Public safety	5,000	4,642	358
Total expenditures	5,000	4,642	358
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,000	5,083	83
OTHER FINANCING USES			
Transfers out	(5,000)	(5,000)	-
NET CHANGE IN FUND BALANCES	-	83	83
FUND BALANCES, BEGINNING OF YEAR	3,869	3,869	-
FUND BALANCES, END OF YEAR	$ 3,869	$ 3,952	$ 83

BURKE COUNTY, GEORGIA
PUBLIC LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	$ 95,050	$ 95,050	$ -
Charges for services	13,625	18,923	5,298
Fines	10,850	10,855	5
Interest	66	57	(9)
Other	4,526	4,224	(302)
Total revenues	124,117	129,109	4,992
EXPENDITURES			
Current:			
Culture and recreation	121,504	128,077	(6,573)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,613	1,032	(1,581)
FUND BALANCES, BEGINNING OF YEAR	83,104	83,104	-
FUND BALANCES, END OF YEAR	$ 85,717	$ 84,136	$ (1,581)

BURKE COUNTY, GEORGIA
SMALL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ 268,784	$ 132,925	$ (135,859)
Other	-	33,500	34,144	644
Total revenues	-	302,284	167,069	(135,215)
EXPENDITURES				
Current:				
Public safety	-	270,485	179,109	91,376
Health and welfare	-	3,000	4,067	(1,067)
Total expenditures	-	273,485	183,176	90,309
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	28,799	(16,107)	(44,906)
OTHER FINANCING USES				
Transfers out	-	(28,799)	-	28,799
NET CHANGE IN FUND BALANCES	-	-	(16,107)	(16,107)
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ (16,107)	$ (16,107)

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, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	$ 386,800	$ 372,965	$ (13,835)
Interest	50	78	28
Other	-	216	216
Total revenues	386,850	373,259	(13,591)
EXPENDITURES			
Current:			
Public safety	609,581	551,445	58,136
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(222,731)	(178,186)	44,545
OTHER FINANCING SOURCES			
Transfers in	222,731	133,007	(89,724)
NET CHANGE IN FUND BALANCES	-	(45,179)	(45,179)
FUND BALANCES, BEGINNING OF YEAR	(70,208)	(70,208)	-
FUND BALANCES, END OF YEAR	$ (70,208)	$ (115,387)	$ (45,179)

BURKE COUNTY, GEORGIA
JAIL SURCHARGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fees, fines and forfeitures	$ 30,000	$ 30,000	$ 57,146	$ 27,146
Intergovernmental	-	-	15,501	15,501
Interest	30	30	63	33
Total revenues	30,030	30,030	72,710	42,680
EXPENDITURES				
Current:				
Public safety	120,030	127,829	-	127,829
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(90,000)	(97,799)	72,710	170,509
OTHER FINANCING SOURCES				
Transfers in	-	7,799	-	(7,799)
NET CHANGE IN FUND BALANCES	(90,000)	(90,000)	72,710	162,710
FUND BALANCES, BEGINNING OF YEAR	10,410	10,410	10,410	-
FUND BALANCES, END OF YEAR	$ (79,590)	$ (79,590)	$ 83,120	$ 162,710

BURKE COUNTY, GEORGIA
VICTIMS ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 23,000	$ 33,294	$ 10,294
Interest	-	38	38
Total revenues	23,000	33,332	10,332
EXPENDITURES			
Current:			
Health and welfare	23,000	23,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	10,332	10,332
FUND BALANCES, BEGINNING OF YEAR	(3,443)	(3,443)	-
FUND BALANCES, END OF YEAR	$ (3,443)	$ 6,889	$ 10,332

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, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, fees and forfeitures	$ 3,000	$ 2,403	$ (597)
Interest	-	7	7
Total revenues	3,000	2,410	(590)
EXPENDITURES			
Current:			
Judicial	10,000	-	10,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,000)	2,410	9,410
FUND BALANCES, BEGINNING OF YEAR	7,073	7,073	-
FUND BALANCES, END OF YEAR	$ 73	$ 9,483	$ 9,410

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, 2018

	Original Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Vendor commissions	$ 35,000	$ 35,000	$ 355,142	$ 320,142
EXPENDITURES				
Current:				
Public safety	-	5,000	244,316	(244,316)
Capital outlay:				
Public safety	35,000	30,000	-	35,000
	35,000	35,000	244,316	(209,316)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	110,826	110,826
FUND BALANCES, BEGINNING OF YEAR	56,044	56,044	56,044	-
FUND BALANCES, END OF YEAR	$ 56,044	$ 56,044	$ 166,870	$ 110,826

BURKE COUNTY, GEORGIA
LARGE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	-	$ 734,845	-	$ (734,845)
EXPENDITURES				
Current:				
Health and welfare	$ 20,000	782,365	$ 46,730	735,635
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,000)	(47,520)	(46,730)	790
OTHER FINANCING USES				
Transfers in	-	47,520	44,071	(3,449)
NET CHANGE IN FUND BALANCES	(20,000)	-	(2,659)	(2,659)
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	$ (20,000)	$ -	$ (2,659)	$ (2,659)

BURKE COUNTY, GEORGIA
ACCOUNTABILITY COURT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fines, fees and forfeitures	$ 44,000	$ 46,650	$ 42,096	$ (4,554)
Intergovernmental	74,500	74,500	88,113	13,613
Total revenues	118,500	121,150	130,209	9,059
EXPENDITURES				
Current:				
Judicial	159,200	162,145	166,265	(4,120)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(40,700)	(40,995)	(36,056)	4,939
OTHER FINANCING USES				
Transfers in	40,700	40,995	40,995	-
NET CHANGE IN FUND BALANCES	-	-	4,939	4,939
FUND BALANCES, BEGINNING OF YEAR	(7,366)	(7,366)	(7,366)	-
FUND BALANCES, END OF YEAR	$ (7,366)	$ (7,366)	$ (2,427)	$ 4,939

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, 2018

	Vehicle Maintenance	Facilities Maintenance	Total
ASSETS			
Current Assets:			
Interfund receivable	$ 463,996	$ 386,497	$ 850,493
Inventory	547,463	-	547,463
Total current assets	1,011,459	386,497	1,397,956
Noncurrent Assets:			
Capital Assets			
Buildings and improvements	19,588	1,084,388	1,103,976
Machinery and equipment	344,888	393,125	738,013
Less accumulated depreciation	(171,801)	(555,243)	(727,044)
Total Capital Assets	192,675	922,270	1,114,945
Total Assets	1,204,134	1,308,767	2,512,901
DEFERRED OUTFLOWS OF RESOURCES			
Resources related to pensions	120,024	67,623	187,647
LIABILITIES			
Current Liabilities:			
Accounts payable	152,163	171,594	323,757
Accrued payroll	19,228	14,699	33,927
Compensated absences payable	1,425	1,683	3,108
Total Current Liabilities	172,816	187,976	360,792
Long-Term Liabilities:			
Compensated absences payable (net of current portion)	12,827	15,151	27,978
Net pension obligation	402,875	226,702	629,577
Total Long-Term Liabilities	415,702	241,853	657,555
Total Liabilities	588,518	429,829	1,018,347
DEFERRED INFLOWS OF RESOURCES			
Resources related to pensions	48,900	31,631	80,531
NET POSITION			
Investment in capital assets	192,675	922,270	1,114,945
Unrestricted	494,065	(7,340)	486,725
Total Net Position	$ 686,740	$ 914,930	$ 1,601,670

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Vehicle Maintenance	Facilities Maintenance	Total
OPERATING REVENUES			
Charges for services	$ 2,487,664	$ 1,029,801	$ 3,517,465
Other	1,247	-	1,247
	2,488,911	1,029,801	3,518,712
OPERATING EXPENSES			
Salaries	527,933	363,746	891,679
Employee benefits	219,217	123,222	342,439
Purchased services	126,517	186,183	312,700
Materials and supplies	1,506,095	123,502	1,629,597
Depreciation	17,413	53,082	70,495
TOTAL OPERATING EXPENSES	2,397,175	849,735	3,246,910
TOTAL OPERATING INCOME (LOSS)	91,736	180,066	271,802
NON-OPERATING REVENUES (EXPENSES)			
Gain on sale of capital assets	1,610	-	1,610
INCOME (LOSS) BEFORE TRANSFERS	93,346	180,066	273,412
TRANSFERS IN (OUT)	114,096	372,500	486,596
CHANGE IN NET POSITION	207,442	552,566	760,008
NET POSITION, BEGINNING OF YEAR	479,298	362,364	841,662
NET POSITION, END OF YEAR	$ 686,740	$ 914,930	$ 1,601,670

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Vehicle Maintenance	Facilities Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund charges	$ 2,372,621	$ 847,134	$ 3,219,755
Cash payments to employees for salaries and benefits	(747,727)	(476,402)	(1,224,129)
Cash payments for goods and services	(1,595,528)	(173,084)	(1,768,612)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	29,366	197,648	227,014
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund transfers	114,096	372,500	486,596
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of assets	1,610	-	1,610
Purchase of capital assets	(145,072)	(570,148)	(715,220)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(143,462)	(570,148)	(713,610)
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)	$ 91,736	$ 180,066	$ 271,802
Depreciation	17,413	53,082	70,495
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) decrease in assets:			
Interfund receivables	(116,290)	(182,667)	(298,957)
Inventory	(63,176)	-	(63,176)
(Increase) decrease in deferred outflows of resources - resources related to pensions	11,966	8,245	20,211
Increase (decrease) in deferred inflows of resources - resources related to pensions	30,850	21,256	52,106
Increase (decrease) in operating liabilities:			
Accounts payable	100,260	136,601	236,861
Accrued payroll	892	3,268	4,160
Compensated absences payable	(1,640)	7,179	5,539
Net pension obligation	(42,645)	(29,382)	(72,027)
Total cash provided (used) by operating activities	$ 29,366	$ 197,648	$ 227,014

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, 2018

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Total
ASSETS						
Cash	$ 636,624	$ -	$ 132,726	$ 145	$ 131,399	$ 900,894
LIABILITIES						
Due to other entities and individuals	$ 636,624	$ -	$ 132,726	$ 145	$ 131,399	$ 900,894

BURKE COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
Tax Commissioner				
Assets				
Cash	$ 635,246	$ 86,559,658	$ 86,558,280	$ 636,624
Liabilities				
Due to other entities and individuals	$ 635,246	$ 86,559,658	$ 86,558,280	$ 636,624
Probate Court				
Assets				
Cash	$ -	$ 46,054	$ 46,054	$ -
Liabilities				
Due to other entities and individuals	$ -	$ 46,054	$ 46,054	$ -
Clerk of Courts				
Assets				
Cash	$ 128,603	$ 1,247,528	$ 1,243,405	$ 132,726
Liabilities				
Due to other entities and individuals	$ 128,603	$ 1,247,528	$ 1,243,405	$ 132,726
Magistrate Court				
Assets				
Cash	$ 4,104	$ 273,296	$ 277,255	$ 145
Liabilities				
Due to other entities and individuals	$ 4,104	$ 273,296	$ 277,255	$ 145
Sheriff				
Assets				
Cash	$ 33,554	$ 547,347	$ 449,502	$ 131,399
Liabilities				
Due to other entities and individuals	$ 33,554	$ 547,347	$ 449,502	$ 131,399
Total Agency Funds				
Assets				
Cash	$ 801,507	$ 88,673,883	$ 88,574,496	$ 900,894
Liabilities				
Due to other entities and individuals	$ 801,507	$ 88,673,883	$ 88,574,496	$ 900,894

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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	$ 3,603,176	$ 7,550,362	$ 11,153,538	74%
Jail addition	2,000,000	-	-	-	0%
Burke County					
EOC/911 center	2,000,000	1,557,656	-	1,557,656	78%
Recreation improvements	1,000,000	309,012	-	309,012	31%
Industrial Park expansion	2,500,000	1,414,160	90,221	1,504,381	60%
Building construction and renovations	1,500,000	671,526	-	671,526	45%
Airport projects	200,000	26,230	62,916	89,146	45%
Roads and bridges projects and equipment	8,040,000	2,489,261	851,434	3,340,695	42%
Firetrucks	1,500,000	488,995	421,621	910,616	61%
Ambulances	600,000	269,000	-	269,000	45%
Patrol cars	500,000	235,463	67,906	303,369	61%
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	5,735,834	353,438	6,089,272	60%
Sardis					
Water, sewer, and street improvements, recreation and beautification projects, capital equipment	2,340,000	1,323,652	81,564	1,405,216	60%
Midville					
Water and sewer system improvements, street improvements and major equipment, major police equipment, City Hall equipment, Community House improvements	1,170,000	661,827	40,782	702,609	60%
Keysville					
Water and sewer system projects, Multi-purpose building project, street & drainage improvements and equipment	780,000	441,217	27,188	468,405	60%
Girard					
Waterworks improvements, building renovations and additions, street and sidewalk improvements	390,000	220,607	13,594	234,201	60%
	$ 56,000,000	$ 19,762,441	9,561,026	$ 29,323,467	52%

Roads, streets, and bridge costs funded by state LMIG program	1,822,744
Judicial center funded by the Other Capital Projects Fund	3,224,007
Airport projects funded by federal and state grant funds	215,974
SPLOST III fund total expenditures	$ 14,823,751

BURKE COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

SPLOST IV Fund

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
Burke County					
EOC/911 center	$ 3,000,000	$ -	-	-	0%
Jail improvements	500,000	-	-	-	0%
Recreation improvements	2,000,000	-	-	-	0%
Industrial Park expansion	2,516,000	-	$ 280,066	$ 280,066	11%
Building construction and renovations	1,800,300	-	-	-	0%
Airport projects	450,000	-	-	-	0%
Roads and bridges projects and equipment	5,000,000	-	29	29	0%
Fire equipment	1,000,000	-	-	-	0%
EMA improvements	400,000	-	-	-	0%
EMS equipment	600,000	-	-	-	0%
Law enforcement equipment	1,200,000	-	12,750	12,750	1%
Hospital equipment and renovations	1,365,000	-	-	-	0%
Animal shelter	500,000	-	-	-	0%
Waynesboro					
Water & sewer improvements, roads, streets, sidewalks, drainage improvements, buildings, recreation projects, equipment	7,514,400	-	836,458	836,458	11%
Sardis					
Water, sewer, and street improvements, recreation and beautification projects, capital equipment	1,296,840	-	144,357	144,357	11%
Midville					
Water and sewer system improvements, street improvements and major equipment, major police equipment, building improvements	348,450	-	38,787	38,787	11%
Keysville					
Water and sewer system projects, city hall and multi-purpose building projects, street and drainage improvements and equipment, recreation improvements and equipment, land acquisition	454,500	-	50,592	50,592	11%
Girard					
Building renovations and additions, street, sidewalk and park improvements	203,010	-	22,598	22,598	11%
Vidette					
Water system improvements	145,440	-	16,190	16,190	11%
	$ 30,293,940	$ -	$ 1,401,827	$ 1,401,827	5%

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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, 2018, 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 July 11, 2019. 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described below, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described below as 2018-1 through 2018-4 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described below as 2018-5 to be a significant deficiency.

2018-1 Recording of year end accruals for the financial statements

The County's procedures to make sure all year end accruals such as receivables, accounts payable, prepaid items, and deferred inflows of resources are included in the financial statements were inadequate for the fiscal year ended September 30, 2018. Many of the adjusting journal entries needed to record these accruals were material to the County's financial statements.

County response: We concur with these findings, and we will implement procedures to make sure all accruals are included in the year-end financial statements.

2018-2 Accounting for capital assets

We noted that the County did not have a process to accumulate information on current year additions and disposals to capital assets. The County should have procedures in place to ensure that all relevant information related to capital assets is forwarded to a designated person responsible for maintaining capital asset records. The information accumulated on additions and disposals should be provided to the auditors after the County's fiscal year end.

County response: We concur with this finding, and we will implement procedures to track capital asset purchases and disposals.

2018-3 Transaction Posting

During our audit we noted numerous cash transactions that were posted to the incorrect fiscal year's general ledger. These entries caused the ledger balances of these cash accounts to be incorrect. The timely preparation of monthly bank reconciliations will assist in ensuring that all transactions have been recorded in the proper period.

County Response: We concur with this finding. We will implement procedures to ensure that all transactions are properly posted in the general ledger.

2018-4 Grant revenues

During our audit we noted that grant revenues receivable were not recorded for certain grant funds that were due to the County at year-end. In addition, some grant revenues were posted to the wrong fund. This resulted in several funds with understated grant revenues and receivables. Grant revenues should be reconciled to award documents to ensure all grant expenses and revenue have been properly recorded.

County Response: We concur with this finding. We will implement procedures to ensure that all grant activity is properly posted in the general ledger.

2018-5 Purchasing procedures

During our audit we noted several disbursements for which the County's purchasing policy was not followed. Examples include disbursements for which purchase orders were not obtained when required or obtained after the fact. This lack of adherence to the approved policies and procedures may allow purchases that exceed budget limitations or cause the County to overpay for purchases that should be subject to the bidding process.

County Response: We concur with this finding. We will stress the importance of following policies and procedures to all department heads.

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*.

Burke County, Georgia's Response to Findings

Burke County, Georgia's response to the findings identified in our audit are described above. Burke County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
July 11, 2019