

**BURKE COUNTY, GEORGIA**

**FINANCIAL REPORT**

**For the Year Ended September 30, 2008**

**BURKE COUNTY, GEORGIA**

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# Baird & Company CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL ADVISORS  
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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Burke County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Burke County Health Department, a discretely presented component unit, whose statements reflect total assets of \$987,020 and total net assets of \$917,313 as of June 30, 2008, and total revenues of \$683,902 for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Burke County Health Department, is based on the report of other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Burke County, Georgia as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2009, on our consideration of 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 reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 statements and schedules described in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, and is also not a required part of the basic financial statements of Burke County, Georgia. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, the schedule of expenditures of state awards, the schedule of special purpose local option sales tax 2001 – 2006, and the schedule of special purpose local option sales tax 2006 – 2012, have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Baird & Company, CPAs, LLC*

BAIRD & COMPANY, CPAs, LLC  
Certified Public Accountants

Augusta, Georgia  
March 5, 2009

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Management's Discussion and Analysis**

The Management's Discussion and Analysis of the Annual Financial Report of Burke County, Georgia (the Government) provides an overall narrative and analysis of the Government's financial statements for the fiscal years ended September 30, 2008 and 2007. This discussion and analysis is designed to look at the Government's financial performance as a whole. Readers should also review the complete financial statements, with notes, which follow this narrative, for a better understanding of the Government's financial performance.

### **Overview of the Financial Statements**

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

#### **Basic Financial Statements**

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

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

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

#### **Government-wide Financial Statements**

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

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

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

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the Government's basic services such as general government, public safety, highways and streets, health and welfare, and culture and recreation. Property taxes, sales taxes, and state and federal grant funds finance most of these activities. The business-type activities are those services that the Government charges a fee to customers in order to provide. These include solid waste management and transit services. The final category is component units. The Development Authority of Burke County serves to promote, pursue, and implement economic development in the County. The Burke County Health Department is a public health department. Separate financial statements have been issued and are available from the Burke County Health Department. Although legally separate from the Government, the Government appoints a voting majority of the boards for the Development Authority and the Board of Health.

## **Fund Financial Statements**

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

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

### *Governmental Funds*

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

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

### *Proprietary Funds*

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

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

### *Fiduciary Funds*

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

## Government-wide Financial Analysis

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

### Net Assets

Net Assets may serve over time as one useful indicator of a government's financial condition. The assets of the Government exceeded liabilities by \$31.3 million and \$30.6 million as of September 30, 2008 and September 30, 2007, respectively.

The largest portion of Burke County's net assets, 97.5% in 2008 and 95.3% in 2007, reflects its investment in capital assets such as land, buildings, equipment, and roads. Burke County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

#### Burke County's Net Assets September 30, 2008 and 2007

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 3,109,420	\$ 4,090,575	\$ 855,031	\$ 1,112,877	\$ 3,964,451	\$ 5,203,452
Capital assets	30,550,220	28,500,264	947,887	603,384	31,498,107	29,103,648
Total assets	<u>33,659,640</u>	<u>32,590,839</u>	<u>1,802,918</u>	<u>1,716,261</u>	<u>35,462,558</u>	<u>34,307,100</u>
Long-term liabilities outstanding	417,997	410,281	1,701,117	1,647,179	2,119,114	2,057,460
Other liabilities	1,893,341	1,615,952	101,801	79,234	1,995,142	1,695,186
Total liabilities	<u>2,311,338</u>	<u>2,026,233</u>	<u>1,802,918</u>	<u>1,726,413</u>	<u>4,114,256</u>	<u>3,752,646</u>
Net assets:						
Invested in capital assets, net of related debt	30,550,220	28,500,264	-	603,386	30,550,220	29,103,650
Unrestricted	798,082	2,064,342	-	(613,538)	798,082	1,450,804
Total net assets	<u>\$ 31,348,302</u>	<u>\$ 30,564,606</u>	<u>\$ -</u>	<u>\$ (10,152)</u>	<u>\$ 31,348,302</u>	<u>\$ 30,554,454</u>

The balance of unrestricted net assets, 2.6% in 2008 and 4.7% in 2007, may be used to meet the Government's ongoing obligations to citizens and creditors.

The Government's net assets increased by \$793,848 and \$87,627 during the fiscal years ended September 30, 2008 and 2007, respectively.

### Governmental activities

Governmental activities increased Burke County's net assets by \$783,696 in 2008 and \$135,049 in 2007 thereby accounting for 98.7% in 2008 and 64.9% in 2007 of the total change in the net assets of Burke County. The key factors in this change were a significant increase in infrastructure outlays which are capitalized in 2008 over 2007 and increased operating expenses such as fuel in 2008 and health care costs during 2007.

### Business-type activities

Business-type activities increased Burke County's net assets by \$10,152 in 2008 and decreased Burke County's net assets by \$47,422 in 2007, accounting for 1.3% in 2008 and 35.1% in 2007 of the total change in the government's net assets.

**Burke County's Changes in Net Assets  
September 30, 2008 and 2007**

	Governmental Activities		Business-type Activities		Total	
	Fiscal Year Ended September 30, 2008	Fiscal Year Ended September 30, 2007	Fiscal Year Ended September 30, 2008	Fiscal Year Ended September 30, 2007	Fiscal Year Ended September 30, 2008	Fiscal Year Ended September 30, 2007
	Revenues:					
Program revenues:						
Charges for services	\$ 2,129,518	\$ 1,997,870	\$ 520,908	\$ 466,983	\$ 2,650,426	\$ 2,464,853
Operating grants and contributions	597,428	583,717	147,758	205,833	745,186	789,550
Capital grants and contributions	120,530	172,818			120,530	172,818
General revenues:						
Property taxes	15,253,157	13,795,622			15,253,157	13,795,622
Other taxes	7,315,718	6,224,191			7,315,718	6,224,191
Other	123,073	161,578			123,073	161,578
Total revenues	<u>25,539,424</u>	<u>22,935,796</u>	<u>668,666</u>	<u>672,816</u>	<u>26,208,090</u>	<u>23,608,612</u>
Expenses:						
General government	4,626,543	4,260,197			4,626,543	4,260,197
Public safety	11,562,693	10,618,584			11,562,693	10,618,584
Culture and recreation	873,924	1,085,677			873,924	1,085,677
Health and welfare	665,915	746,557			665,915	746,557
Highways and streets	5,655,382	4,955,673			5,655,382	4,955,673
Interest on long-term debt					-	-
Solid Waste			1,587,311	1,407,708	1,587,311	1,407,708
Transit			442,474	446,589	442,474	446,589
Total expenses	<u>23,384,457</u>	<u>21,666,688</u>	<u>2,029,785</u>	<u>1,854,297</u>	<u>25,414,242</u>	<u>23,520,985</u>
Increase in net assets before transfers	2,154,967	1,269,108	(1,361,119)	(1,181,481)	793,848	87,627
Transfers	(1,371,271)	(1,134,059)	1,371,271	1,134,059	-	-
Increase (Decrease) in net assets	783,696	135,049	10,152	(47,422)	793,848	87,627
Prior period adjustment	-	(50,088)			-	(50,088)
Net assets, beginning of period	30,564,606	30,479,645	(10,152)	37,270	30,554,454	30,516,915
Net assets, end of period	<u>\$ 31,348,302</u>	<u>\$ 30,564,606</u>	<u>\$ -</u>	<u>\$ (10,152)</u>	<u>\$ 31,348,302</u>	<u>\$ 30,554,454</u>

**Financial Analysis of the Government's Funds**

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

**Governmental Funds**

The focus of the Government's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Government's financial requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The combined fund balance of all the governmental funds is \$1.2 million in 2008 and \$2.4 million in 2007, of which \$629 thousand in 2008, or 54%, and \$2.0 million in 2007, or 82%, was unreserved.

## **General Fund**

The General Fund is the primary operating fund of the Government. At the end of the current and previous fiscal years, unreserved, undesignated fund balance of the general fund was \$3.6 million in 2008 and \$4.2 million in 2007, while total fund balance was \$4.1 million in 2008 and \$4.6 million in 2007. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and net transfers out. Unreserved, undesignated fund balance represents 20.4 % in 2008 and 26.3 % in 2007 of total General Fund expenditures and net transfers out, while total fund balance represents 23.4 % in 2008 and 29.1 % in 2007 of that same amount.

The fund balance of Burke County's General Fund decreased by \$460,800 during the fiscal year ended September 30, 2008 and \$238,304 during the fiscal year ended September 30, 2007. The key factors in this change were increases in fuel in 2008 and increases in health care costs along with fuel costs in 2007.

## **Capital Projects Funds**

The Government uses Capital Projects Funds to account for the acquisition and construction of major capital facilities that are not financed by Proprietary Funds. A major fund in the fund financial statements is the Special Purpose Local Option Sales Tax Georgia Fund 1 Construction Fund. The proceeds of the special purpose 1% sales tax (SPLOST 1) are accounted for in this Capital Projects Fund until expenditures are incurred. The decreases in fund balance in 2008 of \$556,869 and \$136,419 in 2007 were due to the timing difference of collections versus expenditures. Another major fund in the fund financial statements is the Special Purpose Local Option Sales Tax II Fund. The proceeds of the special purpose 1% sales tax (SPLOST 2) are accounted for in this Capital Projects Fund until expenditures are incurred. The decrease in fund balance in 2008 of \$374,584 and the decrease in 2007 of \$64,081 was due to the timing difference of collections versus expenditures. Another major fund in the fund financial statements is the Other Capital Projects Fund. All other major capital projects for the County are accounted for in this Capital Projects Fund. There was no change in fund balance in 2008 and 2007.

## **Special Revenue Funds**

The Fire Protection Fund, a major special revenue fund, is used by the Government to account for Fire related expenses as well as Emergency Management Agency expenses for the County. Net assets did not change during the fiscal year ended September 30, 2008 due to transfers from the General Fund to cover the expenditures over revenues. Net assets decreased by \$388,566 during the fiscal year ended September 30, 2007 due primarily to increased payroll and benefits expenditures.

## **Proprietary Funds**

Burke County's proprietary funds provide the same type information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Solid Waste Fund amounted to \$0 for the fiscal years ended September 30, 2008 and 2007, respectively. Unrestricted net assets in the Burke Transit Fund amounted to \$0 and \$(10,152) for the fiscal years ended September 30, 2008 and 2007, respectively. The total growth in net assets in the Solid Waste Fund was \$0 in 2008 and 2007. The total increase in net assets in the Burke Transit Fund was \$10,152 for the fiscal year ended September 30, 2008. The decrease in net assets was \$47,422 for the fiscal year ended September 30, 2007. The Government's internal service funds, Vehicle Maintenance Fund and Facility Maintenance Fund, had unrestricted net assets of zero in 2008 and 2007 and total growth in net assets of zero during 2008 and 2007.

Other factors concerning the finances of these funds have already been addressed in the discussion of Burke County's business-type activities.

## General Fund Budgetary Highlights

For 2008, the major difference between the original budget and the final amended budget were increases in transfers in and transfers out to and from other funds. These increases were due to increases in highway and street expenditures for infrastructure improvements. Actual revenues were \$405,666 under budget (cash basis), largely due to public utility tax collections coming in under budget. Actual expenditures were \$266,907 over budget (cash basis), largely due to increased District Attorney expenditures, which are controlled by the Judicial Circuit instead of the County, County Jail expenditures increased substantially for salaries, overtime, and inmate food costs, and increased Highways and Streets expenditures caused mainly by unprecedented increases in fuel costs during the fiscal year ended September 30, 2008. The increases in fuel costs are expected to reverse during the next fiscal year.

For 2007, there were no major differences between the original budget and the final amended budget for the fiscal year ended September 30, 2007. Actual revenues were \$661,955 under budget (cash basis), largely due to grant funds being less than anticipated and intergovernmental revenues for inmate housing reduced due to a prison constructed by another county which reduced their need for the Burke County jail facility. Expenditures were \$862,516 under budget (cash basis), the majority of which was an airport improvement program which was not completed during the 2007 fiscal year, indigent legal defense coming in under budget, and highways and streets expenditures under budgeted amounts.

## Capital Assets and Debt Administration

Burke County's investment in capital assets for its governmental and business-type activities as of September 30, 2008 and 2007 amounted to \$31,498,107 and \$29,103,651, respectively, (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure (roads), and construction in progress.

Major capital asset transactions during 2008 included the following:

- SPLOST-funded portion of road construction in the amount of \$1,553,075
- General fund-funded portion of road construction in the amount of \$1,349,046
- SPLOST-funded public building renovations/improvements in the amount of \$534,869

Major capital asset transactions during 2007 included the following:

- SPLOST-funded portion of road construction in the amount of \$1,263,144
- General fund-funded portion of road construction in the amount of \$1,036,235
- E-911 Phase 2 telephone system in the amount of \$163,036

Additional information on Burke County's capital assets can be found in Note 4 to the financial statements of this report.

### Burke County's Capital Assets (net of depreciation) September 30, 2008 and 2007

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Construction in progress	\$ 585,852	\$ 191,143	\$ -	\$ -	\$ 585,852	\$ 191,143
Land	822,935	822,935	436,146	34,300	1,259,081	857,235
Buildings	10,164,681	10,376,900	47,539	48,927	10,212,220	10,425,827
Improvements	-	-	39,825	42,161	39,825	42,161
Equipment	2,844,800	2,507,968	424,376	477,999	3,269,176	2,985,967
Infrastructure	16,131,952	14,601,318	-	-	16,131,952	14,601,318
Total	<u>\$ 30,550,220</u>	<u>\$ 28,500,264</u>	<u>\$ 947,886</u>	<u>\$ 603,387</u>	<u>\$ 31,498,106</u>	<u>\$ 29,103,651</u>

## Long-Term Debt

Burke County had a total of \$2,119,114 in outstanding long-term debt as of September 30, 2008 and \$2,057,460 in outstanding long-term debt as of September 30, 2007. This entire amount is backed by the full faith and credit of the government. Burke County retired no outstanding bonds during the fiscal year ended September 30, 2008 and 2007. There were no bonds issued during 2008 or 2007.

### Burke County's Outstanding Debt General Obligation Bonds and Other Debt September 30, 2008 and 2007

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Accrued compensated absences	\$ 417,997	\$ 410,281	\$ 20,448	\$ 17,044	\$ 438,445	\$ 427,325
Landfill closure costs	-	-	1,680,669	1,630,135	1,680,669	1,630,135
Total debt	<u>\$ 417,997</u>	<u>\$ 410,281</u>	<u>\$ 1,701,117</u>	<u>\$ 1,647,179</u>	<u>\$ 2,119,114</u>	<u>\$ 2,057,460</u>

The State of Georgia limits the amount of general obligation debt that a unit of government can issue to 10% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the government is just under \$161 million.

Additional information on Burke County's long-term debt can be found in Note 5 of the notes to the financial statements of this report.

## Economic Factors and Next Year's Budget

Last year we saw the beginning signs of the economic slow down. We saw monthly sales tax revenues decline and had it not been for two refueling outages at Plant Vogtle, our total sales tax revenues for the year would have been significantly lower than in previous years. However, the revenues from Sales Tax for FY 2009 are holding steady compared to FY 2008.

The value of the tax digest was down for 2008 mainly due to a decline in the utility digest. However it should be noted that other real property is selling for lower values and this will impact our digest in future years.

The FY 2009 Budget did not include a cost of living adjustment to the employee pay plan. The step increases in the system were left in place based on performance evaluations. The Budget did include some new equipment, notably a new fire truck, garbage truck, two patrol cars, and a dump truck, loader, and pickup for the Road Department. The equipment purchases were warranted in order to keep up with replacement of older vehicles and equipment.

## Requests for Information

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

**BASIC FINANCIAL STATEMENTS**

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**BURKE COUNTY, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2008**

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Development Authority</u>	<u>Health Department</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 971,694	\$ 100	\$ 971,794	\$ 615,094	\$ 522,246
Investments	204,446	-	204,446	1,150,000	359,055
Taxes receivable	872,112	-	872,112	-	-
Accounts receivable	-	59,670	59,670	-	1,171
Intergovernmental receivables	1,096,225	111,947	1,208,172	-	26,806
Internal balances	(683,314)	683,314	-	-	-
Other receivables	39,392	-	39,392	287,534	-
Inventory	528,323	-	528,323	1,935,976	-
Other assets	80,542	-	80,542	-	28,844
Capital assets (net of accumulated depreciation)					
Land	822,935	436,146	1,259,081	-	-
Construction in progress	585,852	-	585,852	-	-
Buildings and improvements	10,164,681	87,364	10,252,045	397,146	-
Furniture, fixtures, and equipment	2,844,800	424,377	3,269,177	21,639	48,898
Infrastructure	<u>16,131,952</u>	<u>-</u>	<u>16,131,952</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 33,659,640</u>	<u>\$ 1,802,918</u>	<u>\$ 35,462,558</u>	<u>\$ 4,407,389</u>	<u>\$ 987,020</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,105,874	\$ 79,983	\$ 1,185,857	\$ 4,821	\$ -
Accrued liabilities	530,274	21,818	552,092	7,825	-
Intergovernmental payables	253,112	-	253,112	-	40,863
Unearned revenues	4,081	-	4,081	280,000	-
Noncurrent liabilities					
Due within one year	-	-	-	85,000	-
Due in more than one year	<u>417,997</u>	<u>1,701,117</u>	<u>2,119,114</u>	<u>195,000</u>	<u>28,844</u>
Total liabilities	<u>2,311,338</u>	<u>1,802,918</u>	<u>4,114,256</u>	<u>572,646</u>	<u>69,707</u>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	30,550,220	-	30,550,220	117,146	40,863
Unrestricted	<u>798,082</u>	<u>-</u>	<u>798,082</u>	<u>3,717,597</u>	<u>876,450</u>
Total net assets	<u>\$ 31,348,302</u>	<u>\$ -</u>	<u>\$ 31,348,302</u>	<u>\$ 3,834,743</u>	<u>\$ 917,313</u>

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

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**BURKE COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
Primary government:									
Governmental activities:									
General government	\$ 4,626,543	\$ 713,853	\$ 194,573	\$ -	\$ (3,718,117)	\$ -	\$ (3,718,117)	\$ -	\$ -
Public safety	11,562,693	1,285,840	183,379	-	(10,093,474)	-	(10,093,474)	-	-
Culture and recreation	873,924	105,801	90,314	-	(677,809)	-	(677,809)	-	-
Health and welfare	665,915	24,024	129,162	-	(512,729)	-	(512,729)	-	-
Highways and streets	5,655,382	-	-	120,530	(5,534,852)	-	(5,534,852)	-	-
Total governmental activities	23,384,457	2,129,518	597,428	120,530	(20,536,981)	-	(20,536,981)	-	-
Business-type activities:									
Solid Waste	1,587,311	376,410	-	-	-	(1,210,901)	(1,210,901)	-	-
Transit	442,474	144,498	147,758	-	-	(150,218)	(150,218)	-	-
Total business-type activities	2,029,785	520,908	147,758	-	-	(1,361,119)	(1,361,119)	-	-
Total primary government	\$ 25,414,242	\$ 2,650,426	\$ 745,186	\$ 120,530	(20,536,981)	(1,361,119)	(21,898,100)	-	-
Component units:									
Development Authority	\$ 298,777	\$ 645,596	\$ 886,831	\$ -	-	-	-	1,233,650	-
Health Department	624,080	63,329	604,242	-	-	-	-	-	43,491
Total component units	\$ 922,857	\$ 708,925	\$ 1,491,073	\$ -	-	-	-	1,233,650	43,491
General revenues:									
Property tax					15,181,246	-	15,181,246	-	-
Sales tax					6,052,216	-	6,052,216	-	-
Real estate transfer tax					28,740	-	28,740	-	-
Intangible tax					63,697	-	63,697	-	-
Timber tax					50,033	-	50,033	-	-
Alcoholic beverage tax					51,116	-	51,116	-	-
Hotel-motel tax					1,258	-	1,258	-	-
Insurance premium tax					710,433	-	710,433	-	-
Financial institution tax					38,707	-	38,707	-	-
Mobile home tax					52,031	-	52,031	-	-
Motor vehicle tax					306,353	-	306,353	-	-
Property not on digest					21,878	-	21,878	-	-
Railroad tax					11,167	-	11,167	-	-
Interest income					123,073	-	123,073	45,662	16,331
Unrealized gain (loss) on investments					-	-	-	-	18,998
Transfers					(1,371,271)	1,371,271	-	-	-
Total general revenues and transfers					21,320,677	1,371,271	22,691,948	45,662	35,329
Change in net assets					783,696	10,152	793,848	1,279,312	78,820
NET ASSETS, BEGINNING OF YEAR					30,564,606	(10,152)	30,554,454	2,555,431	838,493
NET ASSETS, END OF YEAR					\$ 31,348,302	\$ -	\$ 31,348,302	\$ 3,834,743	\$ 917,313

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

**BURKE COUNTY, GEORGIA  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2008**

	General Fund	Fire Protection Fund	Special Purpose Local Option Sales Tax Georgia Fund I Construction Fund	Special Purpose Local Option Sales Tax II Fund	Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 669,775	\$ 100	\$ -	\$ 1,000	\$ 114,405	\$ 186,414	\$ 971,694
Investments	-	-	-	151,151	53,295	-	204,446
Taxes receivable	391,835	37,142	-	443,135	-	-	872,112
Intergovernmental receivables	857,498	17,306	-	92,475	83,369	45,577	1,096,225
Interfund receivables	3,348,057	-	-	-	-	-	3,348,057
Other receivables	-	-	-	-	-	39,392	39,392
Inventory	528,323	-	-	-	-	-	528,323
Other assets	<u>80,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,542</u>
 Total assets	 <u>\$ 5,876,030</u>	 <u>\$ 54,548</u>	 <u>\$ -</u>	 <u>\$ 687,761</u>	 <u>\$ 251,069</u>	 <u>\$ 271,383</u>	 <u>\$ 7,140,791</u>

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

**BURKE COUNTY, GEORGIA  
BALANCE SHEETS – Continued  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2008**

	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Special Purpose Local Option Sales Tax Georgia Fund I Construction Fund</u>	<u>Special Purpose Local Option Sales Tax II Fund</u>	<u>Other Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 320,857	\$ 27,965	\$ -	\$ -	\$ 638,096	\$ 14,123	\$ 1,001,041
Accrued liabilities	274,668	220,044	-	-	-	4,185	498,897
Intergovernmental payables	1,393	-	-	251,719	-	-	253,112
Interfund payables	1,101,628	2,529,677	-	412,358	34,615	89,303	4,167,581
Deferred revenues	<u>40,873</u>	<u>17,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,081</u>	<u>62,410</u>
 Total liabilities	 <u>1,739,419</u>	 <u>2,795,142</u>	 <u>-</u>	 <u>664,077</u>	 <u>672,711</u>	 <u>111,692</u>	 <u>5,983,041</u>
 <b>Fund Balances</b>							
Reserved for inventory	528,323	-	-	-	-	-	528,323
Unreserved, reported in:							
General Fund	3,608,288	-	-	-	-	-	3,608,288
Special Revenue Funds	-	(2,740,594)	-	-	-	159,691	(2,580,903)
Capital Projects Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,684</u>	<u>(421,642)</u>	<u>-</u>	<u>(397,958)</u>
 Total fund balances	 <u>4,136,611</u>	 <u>(2,740,594)</u>	 <u>-</u>	 <u>23,684</u>	 <u>(421,642)</u>	 <u>159,691</u>	 <u>1,157,750</u>
 Total liabilities and fund balances	 <u>\$ 5,876,030</u>	 <u>\$ 54,548</u>	 <u>\$ -</u>	 <u>\$ 687,761</u>	 <u>\$ 251,069</u>	 <u>\$ 271,383</u>	 <u>\$ 7,140,791</u>

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

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**BURKE COUNTY, GEORGIA**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO**  
**NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**SEPTEMBER 30, 2008**

Total fund balances - governmental funds	<u>\$ 1,157,750</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	822,935
Construction in progress	585,852
Infrastructure	30,974,497
Buildings and improvements	16,566,472
Furniture, fixtures, and equipment	12,196,637
Accumulated depreciation	<u>(30,596,173)</u>
Total capital assets - governmental activities	<u>30,550,220</u>
Some revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. This balance reflects deferred property tax revenues.	
	<u>58,329</u>
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:	
Accrued compensated absences	<u>(417,997)</u>
Total long-term liabilities	<u>(417,997)</u>
Net assets of governmental activities	<u><u>\$ 31,348,302</u></u>

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

**BURKE COUNTY, GEORGIA**  
**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - Continued**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	General Fund	Fire Protection Fund	Special Purpose Local Option Sales Tax Georgia Fund I Construction Fund	Special Purpose Local Option Sales Tax II Fund	Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 13,950,526	\$ 5,043,408	\$ -	\$ 3,557,125	\$ -	\$ 1,258	\$ 22,552,317
Intergovernmental	176,191	103,668	-	-	120,530	236,909	637,298
Charges for services	339,166	823,911	-	-	-	357,343	1,520,420
Fines and forfeitures	398,367	-	-	-	-	117,861	516,228
Licenses and permits	114,280	-	-	-	-	-	114,280
Interest	74,603	-	-	16,907	31,563	-	123,073
Other	<u>51,794</u>	<u>6,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,370</u>	<u>60,459</u>
 Total revenues	 <u>15,104,927</u>	 <u>5,977,282</u>	 <u>-</u>	 <u>3,574,032</u>	 <u>152,093</u>	 <u>715,741</u>	 <u>25,524,075</u>
 <b>EXPENDITURES</b>							
Current							
General government	3,895,100	-	704,867	3,545	-	411,244	5,014,756
Public safety	4,379,526	6,897,834	-	-	-	47,092	11,324,452
Culture and recreation	1,060,248	-	-	-	-	107,604	1,167,852
Health and welfare	628,081	-	-	-	-	18,488	646,569
Highways and streets	4,109,921	-	-	-	-	-	4,109,921
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,674,210</u>	<u>1,490,146</u>	<u>-</u>	<u>3,164,356</u>
 Total expenditures	 <u>14,072,876</u>	 <u>6,897,834</u>	 <u>704,867</u>	 <u>1,677,755</u>	 <u>1,490,146</u>	 <u>584,428</u>	 <u>25,427,906</u>
 Excess (deficiency) of revenues over expenditures	 <u>\$ 1,032,051</u>	 <u>\$ (920,552)</u>	 <u>\$ (704,867)</u>	 <u>\$ 1,896,277</u>	 <u>\$ (1,338,053)</u>	 <u>\$ 131,313</u>	 <u>\$ 96,169</u>

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

**BURKE COUNTY, GEORGIA**  
**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - Continued**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	General Fund	Fire Protection Fund	Special Purpose Local Option Sales Tax Georgia Fund I Construction Fund	Special Purpose Local Option Sales Tax II Fund	Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	2,138,908	920,552	147,998	-	3,467,814	105	6,675,377
Transfers out	<u>(3,631,759)</u>	<u>-</u>	<u>-</u>	<u>(2,270,861)</u>	<u>(2,129,761)</u>	<u>(14,266)</u>	<u>(8,046,647)</u>
Total other financing sources (uses)	<u>(1,492,851)</u>	<u>920,552</u>	<u>147,998</u>	<u>(2,270,861)</u>	<u>1,338,053</u>	<u>(14,161)</u>	<u>(1,371,270)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(460,800)	-	(556,869)	(374,584)	-	117,152	(1,275,101)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>4,597,411</u>	<u>(2,740,594)</u>	<u>556,869</u>	<u>398,269</u>	<u>(421,643)</u>	<u>42,540</u>	<u>2,432,852</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 4,136,611</u>	<u>\$ (2,740,594)</u>	<u>\$ -</u>	<u>\$ 23,685</u>	<u>\$ (421,643)</u>	<u>\$ 159,692</u>	<u>\$ 1,157,751</u>

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

**BURKE COUNTY, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Net change in fund balances - governmental funds \$ (1,275,101)

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

Capital outlay is reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expenses. For the current year, these amounts were:

Capital outlay	4,469,405
Depreciation expense	<u>(2,419,449)</u>

Excess of capital outlay over depreciation expense	<u>2,049,956</u>
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Because some revenue will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased by this amount.

16,557

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. Accrued compensated absences increased by this amount.

(7,716)

Change in net assets of governmental activities	<u>\$ 783,696</u>
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The notes to the financial statements are an integral part of this statement.

**BURKE COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET (BUDGETARY BASIS) AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			Variance Over (Under)
	Original Budget	Amended and Final Budget	Actual	
<b>REVENUES</b>				
Taxes	\$ 14,287,838	\$ 14,287,838	\$ 13,945,300	\$ (342,538)
Intergovernmental	224,110	224,110	237,855	13,745
Licenses and permits	88,000	88,000	87,275	(725)
Charges for services	299,200	299,200	292,336	(6,864)
Fines and forfeitures	371,400	373,170	372,518	(652)
Interest	110,000	110,000	74,603	(35,397)
Other	89,600	95,497	62,261	(33,236)
 Total revenues	 15,470,148	 15,477,815	 15,072,148	 (405,667)
<b>EXPENDITURES</b>				
General government	3,925,874	3,933,541	3,769,721	(163,820)
Public safety	4,244,463	4,244,463	4,382,117	137,654
Culture and recreation	1,144,684	1,144,684	1,070,894	(73,790)
Health and welfare	586,512	586,512	587,633	1,121
Highways and streets	3,778,615	3,778,615	4,144,357	365,742
 Total expenditures	 13,680,148	 13,687,815	 13,954,722	 266,907
 Excess of revenues over expenditures	 1,790,000	 1,790,000	 1,117,426	 (672,574)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of fixed assets	10,000	10,000	-	(10,000)
Transfers in	1,833,055	2,215,466	2,138,908	(76,558)
Transfers out	(3,633,055)	(4,015,466)	(3,826,350)	189,116
 Total other financing sources (uses)	 (1,790,000)	 (1,790,000)	 (1,687,442)	 102,558
 <b>CHANGE IN FUND BALANCE</b>	 \$ -	 \$ -	 (570,016)	 \$ (570,016)
<b>RECONCILIATION TO GAAP BASIS</b>				
To record effect of changes in receivables and other assets and payables and other liabilities				
Increase in receivables and other assets			32,776	
Decrease in payables and other liabilities			76,440	
 Total reconciliation to GAAP basis			 109,216	
 <b>FUND BALANCE, BEGINNING OF YEAR</b>			 4,597,411	
 <b>FUND BALANCE, END OF YEAR</b>			 \$ 4,136,611	

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

**BURKE COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET (BUDGETARY BASIS) AND ACTUAL**  
**FIRE PROTECTION FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			
	Original Budget	Amended and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>				
Taxes	\$ 5,235,214	\$ 5,235,214	\$ 5,026,280	\$ (208,934)
Intergovernmental	87,801	87,801	113,124	25,323
Charges for services	777,000	777,000	823,911	46,911
Other	2,000	2,000	6,295	4,295
Total revenues	6,102,015	6,102,015	5,969,610	(132,405)
<b>EXPENDITURES</b>				
Public safety	7,122,015	7,122,015	6,890,162	(231,853)
Total expenditures	7,122,015	7,122,015	6,890,162	(231,853)
Excess (deficiency) of revenues over expenditures	(1,020,000)	(1,020,000)	(920,552)	99,448
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,020,000	1,020,000	920,552	(99,448)
Transfers out	-	-	-	-
Total other financing sources	1,020,000	1,020,000	920,552	(99,448)
<b>CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>RECONCILIATION TO GAAP BASIS</b>				
To record effect of changes in receivables and other assets and payables and other liabilities				
Increase in receivables and other assets			7,672	
Increase in payables and other liabilities			(7,672)	
Total reconciliation to GAAP basis			-	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			(2,740,594)	
<b>FUND BALANCE, END OF YEAR</b>			<b>\$ (2,740,594)</b>	

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

**BURKE COUNTY, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2008**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste Fund	Transit Fund	Total	
<b>ASSETS</b>				
Current assets				
Cash	\$ 100	\$ -	\$ 100	\$ -
Accounts receivable	59,670	-	59,670	-
Intergovernmental receivables	-	111,947	111,947	-
Interfund receivables	965,418	-	965,418	136,210
Total current assets	1,025,188	111,947	1,137,135	136,210
Capital assets				
Land	436,146	-	436,146	-
Improvements	70,123	-	70,123	-
Buildings	55,520	-	55,520	-
Machinery and equipment	514,819	256,858	771,677	-
Less accumulated depreciation	1,076,608 (312,504)	256,858 (73,075)	1,333,466 (385,579)	-
Total capital assets, net of accumulated depreciation	764,104	183,783	947,887	-
Total assets	\$ 1,789,292	\$ 295,730	\$ 2,085,022	\$ 136,210
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities</b>				
Current Liabilities				
Accounts payable	\$ 79,797	\$ 186	\$ 79,983	\$ 104,833
Accrued wages	12,802	9,016	21,818	31,377
Interfund payables	-	282,104	282,104	-
Total current liabilities	92,599	291,306	383,905	136,210
Long-Term Liabilities				
Accrued vacation	16,024	4,424	20,448	-
Accrued closure and postclosure costs	1,680,669	-	1,680,669	-
Total long-term liabilities	1,696,693	4,424	1,701,117	-
Total liabilities	1,789,292	295,730	2,085,022	136,210
<b>Net Assets</b>				
Invested in capital assets, net of related debt	-	-	-	-
Unrestricted	-	-	-	-
Total net assets	-	-	-	-
Total liabilities and net assets	\$ 1,789,292	\$ 295,730	\$ 2,085,022	\$ 136,210

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

**BURKE COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Solid Waste Fund</u>	<u>Transit Fund</u>	<u>Total</u>	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 376,410	\$ 144,498	\$ 520,908	\$ 3,055,725
Total operating revenues	<u>376,410</u>	<u>144,498</u>	<u>520,908</u>	<u>3,055,725</u>
<b>OPERATING EXPENSES</b>				
Personal services	368,936	245,048	613,984	895,734
Operations	1,167,993	149,156	1,317,149	2,159,991
Depreciation	<u>50,382</u>	<u>46,528</u>	<u>96,910</u>	<u>-</u>
Total operating expenses	<u>1,587,311</u>	<u>440,732</u>	<u>2,028,043</u>	<u>3,055,725</u>
Operating loss	<u>(1,210,901)</u>	<u>(296,234)</u>	<u>(1,507,135)</u>	<u>-</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Loss on disposals	-	(1,742)	(1,742)	-
Operating grants	<u>-</u>	<u>147,758</u>	<u>147,758</u>	<u>-</u>
Total non-operating revenues	<u>-</u>	<u>146,016</u>	<u>146,016</u>	<u>-</u>
Loss before transfers	(1,210,901)	(150,218)	(1,361,119)	-
<b>TRANSFERS IN (OUT)</b>				
Transfer in	<u>1,210,901</u>	<u>160,370</u>	<u>1,371,271</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	-	10,152	10,152	-
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>-</u>	<u>(10,152)</u>	<u>(10,152)</u>	<u>-</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**BURKE COUNTY, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Business-type Activities - Enterprise Funds			Governmental
	Solid Waste Fund	Transit Fund	Total	Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 362,393	\$ 107,328	\$ 469,721	\$ 3,014,142
Other cash receipts	289,648	19,481	309,129	-
Cash paid to suppliers and others	(1,098,326)	(149,022)	(1,247,348)	(2,122,782)
Cash paid to employees	(362,670)	(244,610)	(607,280)	(891,360)
	(808,955)	(266,823)	(1,075,778)	-
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Transfers in	1,210,901	160,370	1,371,271	-
Operating grants	-	147,758	147,758	-
	1,210,901	308,128	1,519,029	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(401,846)	(41,305)	(443,151)	-
	(401,846)	(41,305)	(443,151)	-
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>				
	-	-	-	-
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>				
	\$ 100	\$ -	\$ 100	\$ -
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>				
Operating loss	\$ (1,210,901)	\$ (296,234)	\$ (1,507,135)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	50,382	46,528	96,910	-
Changes in assets and liabilities:				
Accounts receivable	(14,017)	(37,170)	(51,187)	(41,583)
Interfund receivables	289,648	-	289,648	-
Accounts payable	19,133	134	19,267	37,209
Accrued liabilities	6,266	438	6,704	4,374
Accrued landfill closure and postclosure	50,534	-	50,534	-
Interfund payables	-	19,481	19,481	-
	-	19,481	19,481	-
Total cash used in operating activities	\$ (808,955)	\$ (266,823)	\$ (1,075,778)	\$ -

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

**BURKE COUNTY, GEORGIA**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2008**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>533,896</u>
Total assets	\$ <u><u>533,896</u></u>
<b>LIABILITIES</b>	
Due to others	\$ <u>533,896</u>
Total liabilities	\$ <u><u>533,896</u></u>

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

**NOTES TO FINANCIAL STATEMENTS**

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Introduction**

The financial statements of Burke County, Georgia (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The County has implemented GASB No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments* and related standards. These standards provide for significant changes in terminology and presentation for the inclusion of Management's Discussion and Analysis as required supplementary information. The accompanying summary of the County's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report.

**Basis of accounting**

In accordance with GASB No. 34, the basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements.

*Government-wide statements* – The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component units. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

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

The County reports the following major governmental funds:

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

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

*Special Purpose Local Option Sales Tax Georgia Fund I Construction Fund* – This capital projects fund was established to account for expenditures on capital improvements made by the County. Financing is provided by the issuance of private placement general obligation bonds and revenues from a special purpose local option sales tax commencing in April 2001 and concluding in March 2006.

*Special Purpose Local Option Sales Tax II Fund* – This capital projects fund was established to account for expenditures on capital improvements made by the County and financed through revenues from a special purpose local option sales tax commencing April 2006.

*Other Capital Projects Fund* – This fund was established to account for all other capital projects not accounted for in one of the other capital project funds.

The County reports the following major enterprise funds:

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

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

The County also reports two internal service funds. The *Vehicle Maintenance Fund* is used to account for operations that provide repairs and maintenance to 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.

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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 assets and statement of activities to emphasize legal separation from the County.

Those discretely presented component units are:

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

*Burke County Health Department* – The component unit column in the government-wide financial statements includes the financial data of the Burke County Health Department. It is reported in a separate column to emphasize that it is legally separate from the County. Governed by a voting majority of board members appointed by the County, this entity receives funding from Burke County. The Health Department has a June 30 year end, and the financial statements included herein are as of and for the year ended June 30, 2008. Separate financial statements have been issued and are available from the Burke County Health Department.

The following component units have been included in the financial statements as blended component units:

*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.

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Budgets and Budgetary Accounting**

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

1. Prior to September 30, the County administrator submits to the County Board of Commissioners a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted by the County to obtain taxpayer comments.
3. The budget is legally enacted by resolution of the County Board of Commissioners.
4. The County administrator is authorized to transfer the line item amounts within operating departments.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Debt Service Funds. Project length budgets are adopted for Capital Project Funds.
6. Budgets for the governmental funds are adopted on the cash basis of accounting, which is not consistent with accounting principles generally accepted in the United States of America.

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

**Encumbrances**

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

**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, 2008. The County maintained deposits with financial institutions that are in excess of the federally insured amounts.

**Investments**

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

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

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Receivables**

All receivables are reported at their net realizable value.

**Inventories**

Inventories consist of expendable supplies held for consumption stated on a first-in, first-out basis. They are reported at cost and are recorded as expenditures at the time the individual inventory items are used. Reported inventories are equally offset by a fund balance reserve that indicates that they do not constitute “available spendable resources”.

**Prepaid Items**

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

**Capital Assets**

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

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

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

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

Buildings	20 – 40 years
Furniture, fixtures, and equipment	5 – 10 years
Infrastructure	20 years

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

**Compensated Absences**

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

**Interfund Transactions**

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

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

**BURKE COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Long-Term Obligations**

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

**Net Assets/Fund Equity**

Net assets in the government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute.

The equity section of the governmental fund financial statements balance sheet is comprised of these fund balance elements: reserved for inventory, reserved for designated purposes, and unreserved. Reserves represent the portion of fund balance that is (1) not available for appropriations or expenditures and/or (2) is segregated legally for a specific future use.

**Use of Estimates**

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

**NOTE 2 – DEPOSITS AND INVESTMENTS**

At September 30, 2008, the County had the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Credit Rating</u>
<u>Primary Government:</u>			
Georgia Fund 1	Average of 39 days	\$ 204,446	AAAm
<u>Discretely Presented Component Unit - Development Authority of Burke County:</u>			
Certificates of deposit	-	\$ 1,150,000	-

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

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

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 2 – DEPOSITS AND INVESTMENTS – Continued**

*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.

The County maintains deposits with financial institutions that are in excess of the federally insured amount.

**NOTE 3 – PROPERTY TAXES**

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

Property taxes are recorded as receivables when levied. Property taxes receivable, reduced by an allowance for doubtful accounts and amounts collected within 60 days of the statement date (the amount “available”), is recorded as deferred until collected. Such revenue is deferred because it is measurable though not available.

Current year property taxes were levied on November 8 2007, and due January 20, 2008. A summary of current year property tax levy is a follows:

	<u>General Fund</u>	<u>Fire Protection Fund</u>
Millage rates		
Unincorporated	6.081	3.410
Incorporated	6.516	3.410
Property tax levy	<u>\$ 10,022,300</u>	<u>\$ 5,253,228</u>
Property taxes receivable at September 30, 2008	\$ 119,640	\$ 54,597
Allowance for uncollectible accounts	<u>(40,873)</u>	<u>(17,456)</u>
Net property taxes receivable at September 30, 2008	<u>\$ 78,767</u>	<u>\$ 37,141</u>
Deferred property tax revenues at September 30, 2008	<u>\$ 40,873</u>	<u>\$ 17,456</u>

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 4 – CAPITAL ASSETS**

Governmental capital asset activity for the year ended September 30, 2008, was as follows:

	<u>Balance</u> 10/1/2007	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 9/30/2008
Capital assets not being depreciated				
Land	\$ 822,935	\$ -	\$ -	\$ 822,935
Construction in progress	<u>191,143</u>	<u>408,485</u>	<u>(13,776)</u>	<u>585,852</u>
Total capital assets not being depreciated	<u>1,014,078</u>	<u>408,485</u>	<u>(13,776)</u>	<u>1,408,787</u>
Capital assets being depreciated				
Infrastructure	28,072,376	2,902,121	-	30,974,497
Buildings and improvements	16,369,434	197,038	-	16,566,472
Furniture, fixtures, and equipment	<u>11,436,648</u>	<u>975,537</u>	<u>(215,548)</u>	<u>12,196,637</u>
Total capital assets being depreciated	<u>55,878,458</u>	<u>4,074,696</u>	<u>(215,548)</u>	<u>59,737,606</u>
Less accumulated depreciation				
Infrastructure	(13,471,058)	(1,371,487)	-	(14,842,545)
Buildings and improvements	(5,992,534)	(409,257)	-	(6,401,791)
Machinery and equipment	<u>(8,928,680)</u>	<u>(638,705)</u>	<u>215,548</u>	<u>(9,351,837)</u>
Total accumulated depreciation	<u>(28,392,272)</u>	<u>(2,419,449)</u>	<u>215,548</u>	<u>(30,596,173)</u>
Net capital assets being depreciated	<u>27,486,186</u>	<u>1,655,247</u>	<u>-</u>	<u>29,141,433</u>
Governmental activities capital assets - net	<u>\$ 28,500,264</u>	<u>\$ 2,063,732</u>	<u>\$ (13,776)</u>	<u>\$ 30,550,220</u>

Depreciation expense was charged to functions as follows:

General government	\$ 200,843
Public safety	538,116
Culture and recreation	115,683
Health and welfare	19,346
Highways and streets	<u>1,545,461</u>
Total depreciation expense - governmental activities	<u>\$ 2,419,449</u>

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 4 – CAPITAL ASSETS – Continued**

Business-type capital asset activity for the year ended September 30, 2008, was as follows:

	<u>Balance</u> <u>10/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2008</u>
Capital assets not being depreciated				
Land	\$ 34,300	\$ 401,846	\$ -	\$ 436,146
Capital assets being depreciated				
Buildings	55,520	-	-	55,520
Improvements	70,123	-	-	70,123
Machinery and equipment	<u>856,494</u>	<u>41,305</u>	<u>(126,122)</u>	<u>771,677</u>
Total capital assets being depreciated	<u>982,137</u>	<u>41,305</u>	<u>(126,122)</u>	<u>897,320</u>
Less accumulated depreciation				
Buildings	(6,593)	(1,388)	-	(7,981)
Improvements	(27,962)	(2,336)	-	(30,298)
Machinery and equipment	<u>(378,495)</u>	<u>(93,186)</u>	<u>124,380</u>	<u>(347,301)</u>
Total accumulated depreciation	<u>(413,050)</u>	<u>(96,910)</u>	<u>124,380</u>	<u>(385,580)</u>
Net capital assets being depreciated	<u>569,087</u>	<u>(55,605)</u>	<u>(1,742)</u>	<u>511,740</u>
Business-type activities capital assets - net	<u>\$ 603,387</u>	<u>\$ 346,241</u>	<u>\$ (1,742)</u>	<u>\$ 947,886</u>

Depreciation expense was charged as follows:

Solid Waste Fund	\$ 50,382
Transit Fund	<u>46,528</u>
Total depreciation expense - business-type activities	<u>\$ 96,910</u>

Capital asset activity for Development Authority component unit for the year ended September 30, 2008, was:

	<u>Balance</u> <u>10/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2008</u>
Capital assets being depreciated				
Buildings and improvements	\$ 1,355,643	\$ -	\$ -	\$ 1,355,643
Machinery and equipment	21,639	-	-	21,639
Less accumulated depreciation				
Buildings	<u>(888,298)</u>	<u>(70,199)</u>	<u>-</u>	<u>(958,497)</u>
Development Authority capital assets - net	<u>\$ 488,984</u>	<u>\$ (70,199)</u>	<u>\$ -</u>	<u>\$ 418,785</u>

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 4 – CAPITAL ASSETS – Continued**

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

	<u>Balance</u> <u>7/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2008</u>
Capital assets being depreciated				
Furniture, fixtures, and equipment	\$ 153,215	\$ -	\$ -	\$ 153,215
Less accumulated depreciation	<u>(92,548)</u>	<u>(15,508)</u>	<u>-</u>	<u>(108,056)</u>
Health Department capital assets - net	<u>\$ 60,667</u>	<u>\$ (15,508)</u>	<u>\$ -</u>	<u>\$ 45,159</u>

**NOTE 5 – LONG-TERM DEBT**

The following is a summary of long-term liability activity for governmental activities and business type activities for the year ended September 30, 2008:

<u>Governmental Activities</u>	<u>Balance</u> <u>10/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2008</u>	<u>Amounts Due</u> <u>Within One Year</u>
Accrued compensated absences	\$ 410,281	\$ 468,629	\$ (460,913)	\$ 417,997	\$ -
Total	<u>\$ 410,281</u>	<u>\$ 468,629</u>	<u>\$ (460,913)</u>	<u>\$ 417,997</u>	<u>\$ -</u>
 <u>Business-type Activities</u>					
Accrued landfill closure and postclosure costs	\$ 1,630,135	\$ 63,889	\$ (13,355)	\$ 1,680,669	\$ -
Accrued compensated absences	<u>17,044</u>	<u>21,076</u>	<u>(17,672)</u>	<u>20,448</u>	<u>-</u>
Total	<u>\$ 1,647,179</u>	<u>\$ 84,965</u>	<u>\$ (31,027)</u>	<u>\$ 1,701,117</u>	<u>\$ -</u>

The following is a summary of short term borrowing for governmental activities during the year ended September 30, 2008:

<u>Governmental Activities</u>	<u>Balance</u> <u>10/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2008</u>
Tax anticipation notes	<u>\$ -</u>	<u>\$ 5,000,175</u>	<u>\$ (5,000,175)</u>	<u>\$ -</u>

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 5 – LONG-TERM DEBT – Continued**

The County issued tax anticipation notes on November 15, 2006 in the amount of \$2,500,000 at 4.65%, and on January 2, 2008 in the amount of \$2,500,175 at 3.63%. The proceeds from the short term borrowings were used to meet the cash flow needs of the government until receipt of property tax revenues. Principal and interest were paid prior to September 30, 2008.

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

<u>Development Authority</u>	<u>Balance 10/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2008</u>	<u>Amounts Due Within One Year</u>
Industrial Development Revenue Bonds	\$ 360,000	\$ -	\$ (80,000)	\$ 280,000	\$ 85,000
Total	<u>\$ 360,000</u>	<u>\$ -</u>	<u>\$ (80,000)</u>	<u>\$ 280,000</u>	<u>\$ 85,000</u>

<u>Health Department</u>	<u>Balance 7/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2008</u>	<u>Amounts Due Within One Year</u>
Accrued compensated absences	\$ 26,957	\$ 1,887	\$ -	\$ 28,844	\$ -
Total	<u>\$ 26,957</u>	<u>\$ 1,887</u>	<u>\$ -</u>	<u>\$ 28,844</u>	<u>\$ -</u>

The \$1,100,000 Industrial Development Revenue Bonds, Series 1991 (bearing interest ranging from 7.00% to 7.5%) were issued by the Authority to provide funds for the acquisition and construction of a manufacturing facility in Burke County. The Authority entered into a long-term lease agreement with a private company to separately lease the facility over the life of the bonds. The bonds are payable from and secured by the Authority's interest in the contract with Burke County (as described below) and all debt service funds pending disbursement. The bonds are limited obligations of the Authority and are not obligations of the County.

The Series 1991 bonds mature in 2011. The County makes annual principal payments and semiannual interest payments on the bonds.

The bond indentures provide covenants related to the establishment of certain accounts and funds. The Authorities are in compliance with all significant requirements of the covenants.

The Authority has entered into a contract for the provision of industrial development services with Burke County that provides for the County, in exchange for the monthly lease payments on the properties, to pay to the Authority sufficient funds to provide for the payment of principal and interest on the bonds as due to bondholders. These contracts are general obligations of the County, the payment of which is backed by the full faith and credit of the County.

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 5 – LONG-TERM DEBT – Continued**

Maturities of the Development Authority long term debt are as follow:

For the year ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
<b>Series 1991:</b>			
2009	\$ 85,000	\$ 17,812	\$ 102,812
2010	95,000	11,063	106,063
2011	<u>100,000</u>	<u>3,750</u>	<u>103,750</u>
Total	<u>\$ 280,000</u>	<u>\$ 32,625</u>	<u>\$ 312,625</u>

The long-term lease agreement with the private company is accounted for by the County as a direct-financing lease and expires at the maturity of the bond issue. Lease payments are monthly and approximate the monthly debt service requirements of the bonds. The lessee may purchase the leased property at any time during the lease term for the amount of the bonds outstanding at that time. All operational costs of the property are the responsibility of the lessee.

**NOTE 6 – EXCESSES OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS**

Excesses of expenditures over appropriations (cash basis budget) for the year ended September 30, 2008, were as follow:

	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund			
Burke Office Park	\$ 109,200	\$ 146,852	\$ 37,652
Clerk of Court	342,420	364,219	21,799
Probate Court	113,375	120,909	7,534
State Court	131,816	148,435	16,619
State Court Judge	37,391	41,125	3,734
Juvenile Court	48,491	48,675	184
Tax Commissioner	329,294	342,487	13,193
District Attorney	166,634	314,538	147,904
Burke County Service Center	21,800	26,246	4,446
Coroner	27,726	31,562	3,836
County Jail	1,863,257	2,015,327	152,070
Health Department	200,000	209,786	9,786
Road Department	3,778,615	4,144,357	365,742

The County funded expenditures in excess of appropriations through accumulated fund balances and transfers.

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 7 – INTERFUND RECEIVABLES, INTERFUND PAYABLES AND TRANSFERS**

A summary of interfund receivables and payables as of September 30, 2008, follows. Interfund receivables and payables accounts for loans between funds for cash management purposes. All amounts are expected to be paid within one year.

Payable Fund	Receivable Fund			
	General	Solid Waste	Internal Service	Total
General	\$ -	\$ 965,418	\$ 136,209	\$ 1,101,627
Fire Protection	2,529,677	-	-	2,529,677
Tax II	412,358	-	-	412,358
Capital Projects	34,615	-	-	34,615
Transit	282,104	-	-	282,104
Nonmajor Governmental Funds	89,303	-	-	89,303
<b>Total</b>	<b>\$ 3,348,057</b>	<b>\$ 965,418</b>	<b>\$ 136,209</b>	<b>\$ 4,449,684</b>

Fund Transferred From

A summary of transfers for the year ended September 30, 2008, is as follows:

Fund Transferred To	Fund Transferred From				Total
	General	Special Purpose Local Option Sales Tax II	Other Capital Projects	Nonmajor Governmental Funds	
General	\$ -	\$ -	\$ 2,129,761	\$ 9,147	\$ 2,138,908
Fire Protection	915,434	-	-	5,118	920,552
SPLOST I	147,998	-	-	-	147,998
Other Capital Projects	1,196,952	2,270,861	-	-	3,467,813
Solid Waste	1,210,901	-	-	-	1,210,901
Transit	160,370	-	-	-	160,370
Nonmajor Governmental Funds	105	-	-	-	105
<b>Total</b>	<b>\$ 3,631,760</b>	<b>\$ 2,270,861</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,046,647</b>

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

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 8 – RETIREMENT PLAN**

The County contributes to the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (the “Plan”), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

Complete financial statements of the Association County Commissioners of Georgia can be obtained at the following:

Association County Commissioners of Georgia Pension Plan  
 1100 Circle 75 Parkway, Suite 300  
 Atlanta, Georgia, 30339

The specific benefit provisions of the County’s plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides benefits upon retirement, disability, death, and termination of employment, if certain eligibility conditions are met.

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

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

Participant counts as of January 1, 2008, (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees and beneficiaries	34
Deferred vested (former employees)	101
Active participants	271
Disable in Pay Status	<u>6</u>
Total	<u>412</u>
Covered compensation	\$ <u>10,019,734</u>

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

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

Investments in securities are valued at current market prices. The trust fund is invested approximately 60% in equities and 40% in fixed income securities on a cost basis.

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 8 – RETIREMENT PLAN – Continued**

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the minimum funding standards for State and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

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

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of actuarial accrued liability provides one indication of funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater the percentage, the stronger the Plan.

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

The following is an analysis of pension plan funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	(Funded) Unfunded (AAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Funded) Unfunded AAL as a Percentage of of Covered Payroll (b-a)(c)
9/30/1998	\$ 4,289,212	\$ 4,832,408	\$ 543,196	88.8 %	\$ 6,709,622	8.1 %
9/30/1999	5,114,631	4,824,271	(290,360)	106.0 %	6,627,521	4.4 %
9/30/2000	5,797,021	5,940,785	143,764	97.6 %	6,348,596	2.3 %
9/30/2001	4,817,039	7,937,691	3,120,652	60.7 %	6,748,359	46.2 %
9/30/2002	5,094,589	10,852,079	5,757,490	46.9 %	7,096,528	81.1 %
9/30/2003	5,572,860	8,190,871	2,618,011	68.0 %	6,928,416	37.8 %
12/31/2003	6,316,218	8,422,273	2,106,055	75.0 %	6,928,416	30.4 %
12/31/2004	7,369,428	9,828,856	2,459,428	75.0 %	7,486,796	32.9 %
12/31/2005	8,211,736	12,021,118	3,809,382	68.3 %	8,502,260	44.8 %
12/31/2006	9,517,535	12,370,946	2,853,411	76.9 %	8,547,413	33.4 %
12/31/2007	10,693,254	14,010,196	3,316,942	76.3 %	9,464,263	35.0 %

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 8 – RETIREMENT PLAN – Continued**

The following schedule shows actuarial present value of accumulated plan benefits as of December 31, 2007, the most recent actuarial report available:

Vested:		
Retirees (and others in pay status)	\$	2,683,685
Deferred vested (former employees)		1,251,885
Vested active participants		<u>7,400,813</u>
Total		11,336,383
Non-vested		<u>904,968</u>
Total		12,241,351
Effect of future salary increases		<u>1,872,647</u>
Total actuarial accrued liability	\$	<u>14,113,998</u>
Net assets available for benefits (including receivables)	\$	<u>10,693,254</u>
Deficit of net assets in excess of actuarial present value of accumulated plan benefits	\$	<u>(1,548,097)</u>
<b>Principal Actuarial Assumptions</b>		
Investment return		8.0%
Rate of future salary increases (not applicable to accumulated plan benefit calculations)		4.0%

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

Plan Year Ended	Annual Required Contribution	Percentage Contributed
September 30, 2000	\$ 548,103	100.0%
September 30, 2001	652,000	100.0%
September 30, 2002	683,913	100.0%
September 30, 2003	783,799	100.0%
December 31, 2003	192,748	100.0%
December 31, 2004	894,264	76.6%
December 31, 2005	901,998	83.9%
December 31, 2006	911,807	90.0%
December 31, 2007	996,448	85.4%

**BURKE COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 8 – RETIREMENT PLAN – Continued**

The Plan information presented was determined as part of the actuarial valuation as of January 1, 2008. The following summarizes the actuarial methods and assumptions used in that valuation:

Valuation Date	January 1, 2008
Actuarial Cost Method	Projected Unit Credit
Asset Valuation Method	Market Value
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period	10
Actuarial Assumptions:	
Assumed Rate of Return on Assets	8.0%
Expected Future Salary Increases:	4.0%
Expected Inflation	3.0%

**NOTE 9 – 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 25 years. The estimated liability for landfill postclosure care costs, which is recorded in the Solid Waste Enterprise Fund, has a balance of \$1,680,669 as of September 30, 2008. This is based on 100% usage (filled) of the landfill. During 1998, the landfill reached full capacity. The estimated total current cost of the landfill postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2008. However, the actual cost of postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The County expects to finance the costs for the estimated landfill postclosure care costs as they become due during the coming thirty years through the regular operations of the County. Current year postclosure costs totaled \$13,355.

**NOTE 10 – JOINT VENTURE**

Under Georgia law, the County, in conjunction with the sixteen counties and fifty-four cities in east Georgia known as the Central Savannah River Area (CSRA), is a member of the CSRA Regional Development Center (CSRA RDC). The CSRA RDC 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 RDC 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, 2008, the County paid \$14,288 in such dues, which was based on a per capita amount of \$.55. The CSRA RDC Board membership is composed of one city official, one county official, and one private sector individual from each county. O.C.G.A. §58-8-39.1 provides that the County is liable for any debts or obligations of the CSRA RDC. The Comprehensive Annual Financial Report of the CSRA RDC may be obtained from:

CSRA Regional Development Center  
2123 Wrightsboro Road  
Augusta, Georgia 30904-0800

**BURKE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 11 – HOTEL/MOTEL LODGING TAX**

The County has levied a 5% lodging tax. A summary of the transactions for the year ended September 30, 2008, follows:

Lodging tax receipts	\$ 1,258
Funds transferred to General Fund during the period on promotion of tourism	<u>1,258</u>
Balance of lodging tax funds on hand at September 30, 2008	<u><u>\$ -</u></u>

**NOTE 12 – 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, 2008, the County had recorded no liability for claims. The County is covered by commercial insurance.

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

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

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

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

Changes in the balances of worker's compensation claims through September 30, 2008, are as follow:

Unpaid claims, beginning of fiscal year	\$ 346,560
Incurred claims	49,427
Claim payments	(162,951)
Adjustments	<u>115,719</u>
Unpaid claims, September 30, 2008	<u><u>\$ 348,755</u></u>

**BURKE COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 13 – 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 14 – DEFICIT IN FUND EQUITY**

The Fire Protection Fund, Other Capital Projects Fund and Emergency Telephone System Fund had deficit fund balances of \$2,740,594, \$421,642 and \$19,281, respectively as of September 30, 2008. The deficits will be funded through future operations and transfers from the General Fund, as needed.

**NOTE 15 - DEFERRED/UNEARNED REVENUES**

The balances of deferred revenues in the fund financial statements (including both deferred and unearned amounts) and unearned revenues in the Statement of Net Assets as of September 30, 2008, are comprised of the following:

	<u>Deferred Revenue</u>	<u>Unearned Revenue</u>
Taxes receivable and unavailable to General Fund as of year end	\$ 40,873	\$ -
Taxes receivable and unavailable to Fire Protection Fund as of year end	17,456	-
Grant revenue received in advance of year end and unspent	<u>-</u>	<u>4,081</u>
Total	<u>\$ 58,329</u>	<u>\$ 4,081</u>

**INDIVIDUAL AND COMBINING FUND STATEMENTS**

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## **GENERAL FUND**

The General Fund is used to account for all of the County's financial resources except those resources that must be accounted for in a special purpose fund. Current inflows are typically from revenue sources such as property taxes, fines, and penalties. Current outflows are generally related to the provision of various governmental services such as health and welfare, public safety, and general governmental administration.

**BURKE COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL – CASH BASIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			Variance Over (Under)
	Original Budget	Amended and Final Budget	Actual	
<b>REVENUES</b>				
<b>Taxes</b>				
Ad valorem taxes	\$ 2,409,071	\$ 2,409,071	\$ 2,400,832	\$ (8,239)
Commissions	550,000	550,000	529,272	(20,728)
Penalties and interest	100,000	100,000	188,771	88,771
Real estate transfer tax	50,000	50,000	28,740	(21,260)
Alcoholic beverage tax	55,000	55,000	51,116	(3,884)
Homeowners tax relief grant	203,996	203,996	222,046	18,050
Mobile home taxes	55,000	55,000	52,031	(2,969)
Financial institution tax	27,000	27,000	38,707	11,707
Motor vehicle taxes	280,000	280,000	306,353	26,353
Intangible tax	70,000	70,000	63,697	(6,303)
Public utilities tax	7,257,771	7,257,771	6,795,090	(462,681)
Railroad tax	10,000	10,000	11,167	1,167
Timber tax	60,000	60,000	50,033	(9,967)
Property not on digest	-	-	21,878	21,878
Local option sales tax	2,500,000	2,500,000	2,492,039	(7,961)
Insurance premium tax	660,000	660,000	693,529	33,529
<b>Total taxes</b>	<u>14,287,838</u>	<u>14,287,838</u>	<u>13,945,301</u>	<u>(342,537)</u>
<b>Intergovernmental</b>				
Natural Resources Conservation Service	12,000	12,000	6,311	(5,689)
Indigent defense grant	15,000	15,000	13,126	(1,874)
Juvenile Judge grant	21,500	21,500	16,125	(5,375)
Federal Grant - Senior Citizens	92,000	92,000	104,178	12,178
State Grant - Senior Citizens	-	-	5,988	5,988
U.S. Treasury payment in lieu of taxes	11,610	11,610	11,467	(143)
Inmate medical fees	2,000	2,000	949	(1,051)
Inmate housing	70,000	70,000	79,711	9,711
<b>Total intergovernmental</b>	<u>224,110</u>	<u>224,110</u>	<u>237,855</u>	<u>13,745</u>
<b>Licenses and Permits</b>				
Beer and wine licenses	4,000	4,000	3,750	(250)
Building permits	84,000	84,000	83,525	(475)
<b>Total licenses and permits</b>	<u>88,000</u>	<u>88,000</u>	<u>87,275</u>	<u>(725)</u>

**BURKE COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL – CASH BASIS - continued**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			Variance Over (Under)
	Original Budget	Amended and Final Budget	Actual	
<b>REVENUES - Continued</b>				
<b>Fines and Forfeitures</b>				
Superior Court fees and fines	\$ 75,000	\$ 75,000	\$ 66,108	\$ (8,892)
Magistrate Court fees and fines	90,000	90,000	66,888	(23,112)
Juvenile fines	400	400	340	(60)
State Court fees and fines	<u>206,000</u>	<u>207,770</u>	<u>239,182</u>	<u>31,412</u>
 Total fines and forfeitures	 <u>371,400</u>	 <u>373,170</u>	 <u>372,518</u>	 <u>(652)</u>
 <b>Charges for Services</b>				
Court fees and costs	54,000	54,000	40,615	(13,385)
Special police services	23,300	23,300	25,007	1,707
Probate Court fees	24,000	24,000	23,922	(78)
Cable television franchise fees	23,000	23,000	27,005	4,005
Tag collection fees	35,000	35,000	28,848	(6,152)
Recreation	79,900	79,900	86,658	6,758
Recording fees	<u>60,000</u>	<u>60,000</u>	<u>60,281</u>	<u>281</u>
 Total charges for services	 <u>299,200</u>	 <u>299,200</u>	 <u>292,336</u>	 <u>(6,864)</u>
 <b>Interest</b>				
Interest on investments	<u>110,000</u>	<u>110,000</u>	<u>74,603</u>	<u>(35,397)</u>
 <b>Other</b>				
Map sales	600	600	350	(250)
Qualifying fees	9,000	9,000	10,467	1,467
Donations	-	-	629	629
Miscellaneous revenue workmans comp	20,000	20,000	-	(20,000)
Miscellaneous	<u>60,000</u>	<u>65,897</u>	<u>50,815</u>	<u>(15,082)</u>
 Total other	 <u>89,600</u>	 <u>95,497</u>	 <u>62,261</u>	 <u>(33,236)</u>
 <b>Total revenues</b>	 <u>15,470,148</u>	 <u>15,477,815</u>	 <u>15,072,149</u>	 <u>(405,666)</u>

**BURKE COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL – CASH BASIS – Continued**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			Variance Over (Under)
	Original Budget	Amended and Final Budget	Actual	
<b>EXPENDITURES</b>				
<b>General Government</b>				
Administration	\$ 410,687	\$ 395,687	\$ 389,226	\$ (6,461)
County Commissioners	64,459	79,459	78,057	(1,402)
Burke Office Park	109,200	109,200	146,852	37,652
Clerk of Court	342,420	342,420	364,219	21,799
County Agent	115,143	115,143	102,429	(12,714)
Probate Court	113,375	113,375	120,909	7,534
Risk Management	335,000	335,000	305,524	(29,476)
State Court	131,816	131,816	148,435	16,619
State Court - Judge	37,391	37,391	41,125	3,734
State Court - Community Service	69,995	69,995	54,987	(15,008)
Superior Court	192,650	192,650	179,564	(13,086)
Juvenile Court	48,491	48,491	48,675	184
Indigent Legal Defense	200,000	169,366	143,865	(25,501)
Tax Assessor	240,180	240,180	216,959	(23,221)
Tax Commissioner	329,294	329,294	342,487	13,193
Board of Elections	197,537	203,434	177,045	(26,389)
Planning Commission	225,086	226,856	193,304	(33,552)
CSRA Regional Development Center	14,788	14,788	14,683	(105)
Georgia Forestry Commission	20,400	20,400	13,932	(6,468)
Magistrate Court	322,807	322,807	308,192	(14,615)
Code Enforcement	4,000	4,000	3,113	(887)
District Attorney	136,000	166,634	314,538	147,904
Airport	217,400	217,400	9,643	(207,757)
Soil Conservation	25,955	25,955	25,712	(243)
Burke County Service Center	21,800	21,800	26,246	4,446
	<u>3,925,874</u>	<u>3,933,541</u>	<u>3,769,721</u>	<u>(163,820)</u>
<b>Public Safety</b>				
Sheriff	2,342,880	2,342,880	2,335,228	(7,652)
Coroner	27,726	27,726	31,562	3,836
County Jail	1,863,257	1,863,257	2,015,327	152,070
Animal Control	10,600	10,600	-	(10,600)
	<u>4,244,463</u>	<u>4,244,463</u>	<u>4,382,117</u>	<u>137,654</u>

**BURKE COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL – CASH BASIS – Continued**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			Variance Over (Under)
	Original Budget	Amended and Final Budget	Actual	
<b>EXPENDITURES - Continued</b>				
<b>Culture and Recreation</b>				
Library	\$ 308,006	\$ 308,006	\$ 302,391	\$ (5,615)
Recreation	806,978	806,978	744,183	(62,795)
Museum	11,200	11,200	5,820	(5,380)
Burke County Chamber of Commerce	18,000	18,000	18,000	-
Burke Communities in School	500	500	500	-
	<u>1,144,684</u>	<u>1,144,684</u>	<u>1,070,894</u>	<u>(73,790)</u>
<b>Health and Welfare</b>				
Food stamp program	5,000	5,000	-	(5,000)
Welfare	23,000	23,000	22,000	(1,000)
Health department	200,000	200,000	209,786	9,786
Senior citizens	358,512	358,512	355,847	(2,665)
	<u>586,512</u>	<u>586,512</u>	<u>587,633</u>	<u>1,121</u>
<b>Highways and Streets</b>				
Road department	<u>3,778,615</u>	<u>3,778,615</u>	<u>4,144,357</u>	<u>365,742</u>
	<u>3,778,615</u>	<u>3,778,615</u>	<u>4,144,357</u>	<u>365,742</u>
<b>Total expenditures</b>	<u>13,680,148</u>	<u>13,687,815</u>	<u>13,954,722</u>	<u>266,907</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,790,000</u>	<u>1,790,000</u>	<u>1,117,426</u>	<u>(672,574)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	10,000	10,000	-	(10,000)
Transfers in	1,833,055	2,215,466	2,138,908	(76,558)
Transfers out	<u>(3,633,055)</u>	<u>(4,015,466)</u>	<u>(3,826,350)</u>	<u>(189,116)</u>
<b>Total other financing sources (uses)</b>	<u>(1,790,000)</u>	<u>(1,790,000)</u>	<u>(1,687,442)</u>	<u>102,558</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (570,016)</u>	<u>\$ (570,016)</u>

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## **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.

**Fire Protection Fund** – This fund was established to account for the revenues and expenditures for additional property taxes for the fire protection of Burke County.

**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.

**BURKE COUNTY, GEORGIA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2008**

	<u>Law Library</u>	<u>Fire Protection</u>	<u>Drug Enforcement</u>	<u>Drug Treatment &amp; Education</u>	<u>Public Library</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 25,791	\$ 100	\$ 22,720	\$ 46,140	\$ 26,304
Taxes receivable	-	37,142	-	-	-
Other receivables	-	-	-	-	-
Intergovernmental receivables	-	17,306	-	1,814	-
	<u>-</u>	<u>17,306</u>	<u>-</u>	<u>1,814</u>	<u>-</u>
 Total assets	 <u>\$ 25,791</u>	 <u>\$ 54,548</u>	 <u>\$ 22,720</u>	 <u>\$ 47,954</u>	 <u>\$ 26,304</u>
 <b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 27,965	\$ 3,556	\$ 1,065	\$ -
Interfund payables	-	2,529,677	-	-	-
Accrued liabilities	-	220,044	-	-	-
Deferred revenue	-	17,456	-	-	-
	<u>-</u>	<u>17,456</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities	 <u>-</u>	 <u>2,795,142</u>	 <u>3,556</u>	 <u>1,065</u>	 <u>-</u>
 <b>Fund Balance</b>					
Reserved for designated purposes	-	-	-	-	-
Unreserved	25,791	(2,740,594)	19,164	46,889	26,304
	<u>25,791</u>	<u>(2,740,594)</u>	<u>19,164</u>	<u>46,889</u>	<u>26,304</u>
 Total fund balance	 <u>25,791</u>	 <u>(2,740,594)</u>	 <u>19,164</u>	 <u>46,889</u>	 <u>26,304</u>
 Total liabilities and fund balances	 <u>\$ 25,791</u>	 <u>\$ 54,548</u>	 <u>\$ 22,720</u>	 <u>\$ 47,954</u>	 <u>\$ 26,304</u>

**BURKE COUNTY, GEORGIA**  
**SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET - continued**  
**SEPTEMBER 30, 2008**

	<u>Small Grants</u>	<u>Emergency Telephone System</u>	<u>Jail Surcharge</u>	<u>Victims Assistance</u>	<u>Total Special Revenue Funds</u>	<u>Less Major Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 12,140	\$ 23,328	\$ 29,991	\$ 186,514	\$ 100	\$ 186,414
Taxes receivable	-	-	-	-	37,142	37,142	-
Other receivables	-	39,392	-	-	39,392	-	39,392
Intergovernmental receivables	<u>39,518</u>	<u>-</u>	<u>2,114</u>	<u>2,131</u>	<u>62,883</u>	<u>17,306</u>	<u>45,577</u>
 Total assets	 <u>\$ 39,518</u>	 <u>\$ 51,532</u>	 <u>\$ 25,442</u>	 <u>\$ 32,122</u>	 <u>\$ 325,931</u>	 <u>\$ 54,548</u>	 <u>\$ 271,383</u>
 <b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 2,462	\$ 4,240	\$ 2,800	\$ -	\$ 42,088	\$ 27,965	\$ 14,123
Interfund payables	26,915	62,388	-	-	2,618,980	2,529,677	89,303
Accrued liabilities	-	4,185	-	-	224,229	220,044	4,185
Deferred revenue	<u>4,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,537</u>	<u>17,456</u>	<u>4,081</u>
 Total liabilities	 <u>33,458</u>	 <u>70,813</u>	 <u>2,800</u>	 <u>-</u>	 <u>2,906,834</u>	 <u>2,795,142</u>	 <u>111,692</u>
 <b>Fund Balance</b>							
Reserved for designated purposes	-	-	-	-	-	-	-
Unreserved	<u>6,060</u>	<u>(19,281)</u>	<u>22,642</u>	<u>32,122</u>	<u>(2,580,903)</u>	<u>(2,740,594)</u>	<u>159,691</u>
 Total fund balance	 <u>6,060</u>	 <u>(19,281)</u>	 <u>22,642</u>	 <u>32,122</u>	 <u>(2,580,903)</u>	 <u>(2,740,594)</u>	 <u>159,691</u>
 Total liabilities and fund balances	 <u>\$ 39,518</u>	 <u>\$ 51,532</u>	 <u>\$ 25,442</u>	 <u>\$ 32,122</u>	 <u>\$ 325,931</u>	 <u>\$ 54,548</u>	 <u>\$ 271,383</u>

**BURKE COUNTY, GEORGIA**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Law Library</u>	<u>Fire Protection</u>	<u>Drug Enforcement</u>	<u>Drug Treatment &amp; Education</u>	<u>Public Library</u>
<b>REVENUES</b>					
Taxes	\$ -	5,043,408	\$ -	\$ -	\$ -
Intergovernmental	-	103,668	-	-	90,314
Charges for services	-	823,911	-	-	4,609
Fines and forfeitures	7,252	-	18,948	23,307	12,757
Other	<u>-</u>	<u>6,295</u>	<u>118</u>	<u>133</u>	<u>1,777</u>
 Total revenues	 <u>7,252</u>	 <u>5,977,282</u>	 <u>19,066</u>	 <u>23,440</u>	 <u>109,457</u>
<b>EXPENDITURES</b>					
General government	11,786	-	-	-	-
Public safety	-	6,897,834	20,076	-	-
Cultural and recreation	-	-	-	-	107,604
Health and welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,776</u>	<u>-</u>
 Total expenditures	 <u>11,786</u>	 <u>6,897,834</u>	 <u>20,076</u>	 <u>4,776</u>	 <u>107,604</u>
 Excess (deficiency) of revenues over expenditures	 <u>(4,534)</u>	 <u>(920,552)</u>	 <u>(1,010)</u>	 <u>18,664</u>	 <u>1,853</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)	<u>-</u>	<u>920,552</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total other financing sources (uses)	 <u>-</u>	 <u>920,552</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>(4,534)</u>	 <u>-</u>	 <u>(1,010)</u>	 <u>18,664</u>	 <u>1,853</u>
 <b>FUND BALANCE, BEGINNING OF YEAR</b>	 <u>30,325</u>	 <u>(2,740,594)</u>	 <u>20,174</u>	 <u>28,225</u>	 <u>24,451</u>
 <b>FUND BALANCE, END OF YEAR</b>	 <u>\$ 25,791</u>	 <u>\$ (2,740,594)</u>	 <u>\$ 19,164</u>	 <u>\$ 46,889</u>	 <u>\$ 26,304</u>

**BURKE COUNTY, GEORGIA**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – Continued**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Small Grants	Hotel Motel Taxes	Emergency Telephone System	Jail Surcharge	Victims Assistance	Total Special Revenue Funds	Less Major Fund	Nonmajor Special Revenue Funds
<b>REVENUES</b>								
Taxes	\$ -	\$ 1,258	\$ -	\$ -	\$ -	\$ 5,044,666	\$ 5,043,408	\$ 1,258
Intergovernmental	146,595	-	-	-	-	340,577	103,668	236,909
Charges for services	-	-	352,734	-	-	1,181,254	823,911	357,343
Fines and forfeitures	-	-	-	31,573	24,024	117,861	-	117,861
Other	-	-	261	81	-	8,665	6,295	2,370
Total revenues	<u>146,595</u>	<u>1,258</u>	<u>352,995</u>	<u>31,654</u>	<u>24,024</u>	<u>6,693,023</u>	<u>5,977,282</u>	<u>715,741</u>
<b>EXPENDITURES</b>								
General government	133,692	-	265,766	-	-	411,244	-	411,244
Public safety	-	-	-	27,016	-	6,944,926	6,897,834	47,092
Cultural and recreation	-	-	-	-	-	107,604	-	107,604
Health and welfare	-	-	-	-	13,712	18,488	-	18,488
Total expenditures	<u>133,692</u>	<u>-</u>	<u>265,766</u>	<u>27,016</u>	<u>13,712</u>	<u>7,482,262</u>	<u>6,897,834</u>	<u>584,428</u>
Excess (deficiency) of revenues over expenditures	<u>12,903</u>	<u>1,258</u>	<u>87,229</u>	<u>4,638</u>	<u>10,312</u>	<u>(789,239)</u>	<u>(920,552)</u>	<u>131,313</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in (out)	<u>(12,903)</u>	<u>(1,258)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>906,391</u>	<u>920,552</u>	<u>(14,161)</u>
Total other financing sources (uses)	<u>(12,903)</u>	<u>(1,258)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>906,391</u>	<u>920,552</u>	<u>(14,161)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>87,229</u>	<u>4,638</u>	<u>10,312</u>	<u>117,152</u>	<u>-</u>	<u>117,152</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>6,060</u>	<u>-</u>	<u>(106,510)</u>	<u>18,004</u>	<u>21,810</u>	<u>(2,698,054)</u>	<u>(2,740,594)</u>	<u>42,540</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 6,060</u>	<u>\$ -</u>	<u>\$ (19,281)</u>	<u>\$ 22,642</u>	<u>\$ 32,122</u>	<u>\$ (2,580,902)</u>	<u>\$ (2,740,594)</u>	<u>\$ 159,692</u>

**BURKE COUNTY, GEORGIA**  
**HOTEL – MOTEL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL – CASH BASIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			Variance Over (Under)
	Original Budget	Amended and Final Budget	Actual	
<b>REVENUES</b>				
Taxes	\$ 5,000	\$ 5,000	\$ 1,258	\$ (3,742)
Total revenues	5,000	5,000	1,258	(3,742)
<b>EXPENDITURES</b>				
General Government	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	5,000	5,000	1,258	(3,742)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(5,000)	(5,000)	(1,258)	3,742
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS</b>				
To record effect of changes in receivables and other assets and payables and other liabilities				
Total reconciliation to GAAP basis			-	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			\$ -	

**BURKE COUNTY, GEORGIA  
DRUG ENFORCEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET TO ACTUAL – CASH BASIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			Variance Over (Under)
	Original Budget	Amended and Final Budget	Actual	
<b>REVENUES</b>				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 18,948	\$ 8,948
Other	40	40	118	78
Total revenues	10,040	10,040	19,066	9,026
<b>EXPENDITURES</b>				
Public safety	28,040	28,040	20,076	(7,964)
Total expenditures	28,040	28,040	20,076	(7,964)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (18,000)</b>	<b>\$ (18,000)</b>	<b>(1,010)</b>	<b>\$ 16,990</b>
<b>RECONCILIATION TO GAAP BASIS</b>				
To record effect of changes in receivables and other assets and payables and other liabilities			-	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			20,174	
<b>FUND BALANCE, END OF YEAR</b>			<b>\$ 19,164</b>	

**BURKE COUNTY, GEORGIA**  
**DRUG TREATMENT AND EDUCATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL – CASH BASIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			Variance Over (Under)
	Original Budget	Amended and Final Budget	Actual	
<b>REVENUES</b>				
Fines and forfeitures	\$ 12,000	\$ 12,000	\$ 22,696	\$ 10,696
Other	<u>200</u>	<u>200</u>	<u>133</u>	<u>(67)</u>
Total revenues	<u>12,200</u>	<u>12,200</u>	<u>22,829</u>	<u>10,629</u>
<b>EXPENDITURES</b>				
Welfare	<u>79,200</u>	<u>79,200</u>	<u>3,711</u>	<u>(75,489)</u>
Total expenditures	<u>79,200</u>	<u>79,200</u>	<u>3,711</u>	<u>(75,489)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (67,000)</u>	<u>\$ (67,000)</u>	<u>19,118</u>	<u>\$ 86,118</u>
<b>RECONCILIATION TO GAAP BASIS</b>				
To record effect of changes in receivables and other assets and payables and other liabilities				
Decrease in receivables and other assets			611	
Decrease in payables and other liabilities			<u>(1,065)</u>	
Total reconciliation to GAAP Basis			<u>(454)</u>	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>28,225</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 46,889</u>	

**BURKE COUNTY, GEORGIA  
PUBLIC LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET TO ACTUAL – CASH BASIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			Variance Over (Under)
	Original Budget	Amended and Final Budget	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ 90,700	\$ 87,400	\$ 90,314	\$ 2,914
Charges for services	4,500	4,609	4,609	-
Fines and forfeitures	10,800	12,757	12,757	-
Other	2,800	4,691	1,777	(2,914)
 Total revenues	 108,800	 109,457	 109,457	 -
<b>EXPENDITURES</b>				
Culture and recreation	108,800	107,604	107,604	-
 Total expenditures	 108,800	 107,604	 107,604	 -
 <b>NET CHANGE IN FUND BALANCE</b>	 \$ -	 \$ 1,853	 1,853	 \$ -
 <b>RECONCILIATION TO GAAP BASIS</b>				
To record effect of changes in receivables and other assets and payables and other liabilities			-	
 <b>FUND BALANCE, BEGINNING OF YEAR</b>			24,451	
 <b>FUND BALANCE, END OF YEAR</b>			\$ 26,304	

**BURKE COUNTY, GEORGIA**  
**SMALL GRANTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL – CASH BASIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			Variance Over (Under)
	Original Budget	Amended and Final Budget	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ 34,779	\$ 157,482	\$ 162,908	\$ 5,426
Total revenues	<u>34,779</u>	<u>157,482</u>	<u>162,908</u>	<u>5,426</u>
<b>EXPENDITURES</b>				
General Government	<u>34,779</u>	<u>157,482</u>	<u>155,319</u>	<u>(2,163)</u>
Total expenditures	<u>34,779</u>	<u>157,482</u>	<u>155,319</u>	<u>(2,163)</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>-</u>	<u>7,589</u>	<u>7,589</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	105	105
Transfers out	<u>-</u>	<u>-</u>	<u>(13,007)</u>	<u>(13,007)</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>(12,902)</u>	<u>(12,902)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(5,313)</u>	<u>\$ (5,313)</u>
<b>RECONCILIATION TO GAAP BASIS</b>				
To record effect of changes in receivables and other assets and payables and other liabilities				
Decrease in receivables and other assets			(16,313)	
Decrease in payables and other liabilities			<u>21,626</u>	
Total reconciliation to GAAP basis			<u>5,313</u>	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>6,060</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 6,060</u>	

**BURKE COUNTY, GEORGIA**  
**EMERGENCY TELEPHONE SYSTEM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL – CASH BASIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			Variance Over (Under)
	Original Budget	Amended and Final Budget	Actual	
<b>REVENUES</b>				
Charges for services	\$ 240,000	\$ 240,000	\$ 362,480	\$ 122,480
Other	<u>300</u>	<u>300</u>	<u>261</u>	<u>(39)</u>
Total revenues	<u>240,300</u>	<u>240,300</u>	<u>362,741</u>	<u>122,441</u>
<b>EXPENDITURES</b>				
Public Safety	<u>289,300</u>	<u>289,300</u>	<u>270,358</u>	<u>(18,942)</u>
Total expenditures	<u>289,300</u>	<u>289,300</u>	<u>270,358</u>	<u>(18,942)</u>
Excess (deficiency) of revenues over expenditures	<u>(49,000)</u>	<u>(49,000)</u>	<u>92,383</u>	<u>141,383</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (49,000)</u>	<u>\$ (49,000)</u>	92,383	<u>\$ 141,383</u>
<b>RECONCILIATION TO GAAP BASIS</b>				
To record effect of changes in receivables and other assets and payables and other liabilities				
Decrease in receivables and other assets			(9,746)	
Decrease in payables and other liabilities			<u>4,592</u>	
Total reconciliation to GAAP basis			<u>(5,154)</u>	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>(106,510)</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ (19,281)</u>	

**BURKE COUNTY, GEORGIA**  
**JAIL SURCHARGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL – CASH BASIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			Variance Over (Under)
	Original Budget	Amended and Final Budget	Actual	
<b>REVENUES</b>				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 32,161	\$ 2,161
Other	<u>100</u>	<u>100</u>	<u>82</u>	<u>(18)</u>
Total revenues	<u>30,100</u>	<u>30,100</u>	<u>32,243</u>	<u>2,143</u>
<b>EXPENDITURES</b>				
Public safety	<u>40,100</u>	<u>40,100</u>	<u>24,216</u>	<u>(15,884)</u>
Total expenditures	<u>40,100</u>	<u>40,100</u>	<u>24,216</u>	<u>(15,884)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>8,027</u>	<u>\$ 18,027</u>
<b>RECONCILIATION TO GAAP BASIS</b>				
To record effect of changes in receivables and other assets and payables and other liabilities				
Decrease in receivables and other assets			(589)	
Increase in payables and other liabilities			<u>(2,800)</u>	
Total reconciliation to GAAP basis			<u>(3,389)</u>	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>18,004</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 22,642</u>	

**BURKE COUNTY, GEORGIA**  
**VICTIM'S ASSISTANCE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL – CASH BASIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Cash Basis			Variance Over (Under)
	Original Budget	Amended and Final Budget	Actual	
<b>REVENUES</b>				
Additional penalty	\$ 18,500	\$ 18,500	\$ 21,881	\$ 3,381
Interest earned	-	-	12	12
 Total revenues	<u>18,500</u>	<u>18,500</u>	<u>21,893</u>	<u>3,393</u>
<b>EXPENDITURES</b>				
Professional services	20,000	20,000	-	(20,000)
Dues, fees & jury fees	-	-	58	58
Training	5,000	5,000	-	(5,000)
Supplies	13,500	7,800	71	(7,729)
Payments to other agencies	-	5,700	13,583	7,883
 Total expenditures	<u>38,500</u>	<u>38,500</u>	<u>13,712</u>	<u>(24,788)</u>
 <b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (20,000)</u></u>	<u><u>\$ (20,000)</u></u>	<u>8,181</u>	<u><u>\$ 28,181</u></u>
<b>RECONCILIATION TO GAAP BASIS</b>				
To record effect of changes in receivables and other assets and payables and other liabilities				
Increase in receivables and other assets			2,131	
Increase in payables and other liabilities			-	
 Total reconciliation to GAAP basis			<u>2,131</u>	
 <b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>21,810</u>	
 <b>FUND BALANCE, END OF YEAR</b>			<u><u>\$ 32,122</u></u>	

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## **INTERNAL SERVICE FUNDS**

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

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

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

**BURKE COUNTY, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2008**

	<u>Vehicle Maintenance</u>	<u>Facilities Maintenance</u>	<u>Total</u>
<b>ASSETS</b>			
Interfund receivables	\$ 112,765	\$ 23,445	\$ 136,210
 Total assets	 <u>\$ 112,765</u>	 <u>\$ 23,445</u>	 <u>\$ 136,210</u>
 <b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Accounts payable	\$ 90,272	\$ 14,561	\$ 104,833
Accrued wages	<u>22,493</u>	<u>8,884</u>	<u>31,377</u>
 Total liabilities	 <u>112,765</u>	 <u>23,445</u>	 <u>136,210</u>
 <b>Net Assets</b>			
Total net assets	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities and net assets	 <u>\$ 112,765</u>	 <u>\$ 23,445</u>	 <u>\$ 136,210</u>

**BURKE COUNTY, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Vehicle Maintenance</u>	<u>Facilities Maintenance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,536,701	\$ 519,024	\$ 3,055,725
<b>OPERATING EXPENSES</b>			
Personal services	644,222	251,512	895,734
Operations	<u>1,892,479</u>	<u>267,512</u>	<u>2,159,991</u>
Total operating expenses	<u>2,536,701</u>	<u>519,024</u>	<u>3,055,725</u>
<b>CHANGE IN NET ASSETS</b>	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BURKE COUNTY, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Vehicle Maintenance</u>	<u>Facilities Maintenance</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from internal services provided	\$ 2,497,981	\$ 516,161	\$ 3,014,142
Cash paid to suppliers and others	(1,856,682)	(266,100)	(2,122,782)
Cash paid to employees	<u>(641,299)</u>	<u>(250,061)</u>	<u>(891,360)</u>
 Total cash provided by (used in) operating activities	 <u>-</u>	 <u>-</u>	 <u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	 <u>-</u>	 <u>-</u>	 <u>-</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	 <u>-</u>	 <u>-</u>	 <u>-</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income	\$ -	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Interfund receivables	(38,720)	(2,863)	(41,583)
Accounts payable	35,797	1,412	37,209
Accrued liabilities	<u>2,923</u>	<u>1,451</u>	<u>4,374</u>
 Total cash provided by (used in) operating activities	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

## 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.

### *Agency Funds*

**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.

**Solicitor of State Court Fund** – This fund is used to account for all monies received by the Solicitor of State 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**  
**SEPTEMBER 30, 2008**

	<u>Sheriff</u>	<u>Tax Commissioner</u>	<u>Clerk of Superior Court</u>	<u>Probate Court</u>	<u>Solicitor of State Court</u>	<u>Magistrate Court</u>	<u>Total</u>
<b>Assets</b>							
Cash and cash equivalents	\$ 19,665	\$ 325,442	\$ 164,672	\$ -	\$ 4,079	\$ 20,038	\$ 533,896
Total assets	<u>\$ 19,665</u>	<u>\$ 325,442</u>	<u>\$ 164,672</u>	<u>\$ -</u>	<u>\$ 4,079</u>	<u>\$ 20,038</u>	<u>\$ 533,896</u>
<b>Liabilities</b>							
Due to others	\$ 19,665	\$ 325,442	\$ 164,672	\$ -	\$ 4,079	\$ 20,038	\$ 533,896
Total liabilities	<u>\$ 19,665</u>	<u>\$ 325,442</u>	<u>\$ 164,672</u>	<u>\$ -</u>	<u>\$ 4,079</u>	<u>\$ 20,038</u>	<u>\$ 533,896</u>

**BURKE COUNTY, GEORGIA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Balance</u> <u>9/30/2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>9/30/2008</u>
<b><u>Sheriff</u></b>				
Assets				
Cash	\$ 25,732.00	\$ 233,785.00	\$ (239,852.00)	\$ 19,665.00
Liabilities				
Due to others	\$ 25,732.00	\$ 233,785.00	\$ (239,852.00)	\$ 19,665.00
<b><u>Tax Commissioner</u></b>				
Assets				
Cash	\$ 394,945.00	\$ 37,120,803.00	\$ (37,190,306.00)	\$ 325,442.00
Liabilities				
Due to others	\$ 394,945.00	\$ 37,120,803.00	\$ (37,190,306.00)	\$ 325,442.00
<b><u>Clerk of Superior Court</u></b>				
Assets				
Cash	\$ 260,257.00	\$ 1,096,736.00	\$ (1,192,321.00)	\$ 164,672.00
Liabilities				
Due to others	\$ 260,257.00	\$ 1,096,736.00	\$ (1,192,321.00)	\$ 164,672.00
<b><u>Probate Court</u></b>				
Assets				
Cash	\$ -	\$ 30,722.00	\$ (30,722.00)	\$ -
Liabilities				
Due to others	\$ -	\$ 30,722.00	\$ (30,722.00)	\$ -
<b><u>Solicitor of State Court</u></b>				
Assets				
Cash	\$ 3,035.00	\$ 22,769.00	\$ (21,725.00)	\$ 4,079.00
Liabilities				
Due to others	\$ 3,035.00	\$ 22,769.00	\$ (21,725.00)	\$ 4,079.00
<b><u>Magistrate Court</u></b>				
Assets				
Cash	\$ 25,154.00	\$ 214,203.00	\$ (219,319.00)	\$ 20,038.00
Liabilities				
Due to others	\$ 25,154.00	\$ 214,203.00	\$ (219,319.00)	\$ 20,038.00

**BURKE COUNTY, GEORGIA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -continued**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**Total Agency Funds**

Assets

Cash	<u>\$ 709,123.00</u>	<u>\$ 38,719,018.00</u>	<u>\$ (38,894,245.00)</u>	<u>\$ 533,896.00</u>
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Liabilities

Due to others	<u>\$ 709,123.00</u>	<u>\$ 38,719,018.00</u>	<u>\$ (38,894,245.00)</u>	<u>\$ 533,896.00</u>
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**COMPLIANCE SECTION AND SUPPLEMENTARY SCHEDULES**

# Baird & Company CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL ADVISORS  
Augusta, Georgia Office

Thomson, Georgia Office

John P. Gillion, Jr., CPA, PFS, CFS, CVA, CFP®  
J.T. Cosnahan, CPA, CFE, FCPA, DABFA, CICA, CGFM  
Rep E. Whiddon, CPA, CVA  
Brenda F. Carroll, CPA, CFE, CIA, CICA, FCPA

Benjamin B. Barnmore, CPA, MCP, CITP  
W. Lee Hammond, CPA

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners  
Burke County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Burke County, Georgia, as of and for the year ended September 30, 2008, which collectively comprise Burke County, Georgia's basic financial statements and have issued our report thereon dated March 5, 2009. We did not audit the financial statements of the Burke County Health Department, a discretely presented component unit, whose statements reflect total assets of \$987,020 and total net assets of \$917,313 as of June 30, 2008, and total revenues of \$683,902 for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Burke County Health Department, is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered Burke County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Burke County, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting as items 2008-1, 2008-2, and 2008-3.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness

Compliance and Other Matters

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

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

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

*Baird & Company, CPAs, LLC*

BAIRD & COMPANY, CPAs, LLC  
Certified Public Accountants

Augusta, Georgia  
March 5, 2009

**BURKE COUNTY, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Health and Human Services</u>			
Senior Citizen Nutrition Program through contract with the CSRA Regional Development Center, passed through from Georgia Department of Human Resources and CSRA Regional Development Center.	93.045	n/a	\$ 101,734
	93.053	n/a	<u>21,440</u>
Total U.S. Department of Health and Human Services			<u>123,174</u>
<u>U.S. Department of Justice</u>			
Juvenile Offenders Program (Passed through Council of Juvenile Court judges of Georgia)	16.523	05B-ST-0001	5,120
Edward Byrne Justice Assistance Grant	16.738	2005-DJ-BX-1723	11,945
Edward Byrne Justice Assistance Grant	16.738	2006-DJ-BX-0917	<u>11,158</u>
Total U.S. Department of Justice			<u>28,223</u>
<u>U.S. Department of Homeland Security</u>			
Office of Domestic Preparedness Law Enforcement Terrorism Program (Passed through Georgia Emergency Management Agency) FY05	97.074	FIPS #033-00000-01 GAN #2005-GE-T5-0052	100,365
Federal Emergency Management Agency Performance Partnership Agreement (Passed through Georgia Emergency Management Agency) FY 2007	97.042	E07-8-017	2,880
Federal Emergency Management Agency Pre-Disaster Mitigation Grant (Passed through Georgia Emergency Management Agency)	97.017	PDMC-PL-04-GA-2005-011 17PDMC4011033	5,000
Federal Emergency Management Agency Disaster Grants-Public Assistance	97.036	FEMA-1750-DR-GA PAID #033-99033-00	<u>13,008</u>
Total U.S. Department of Homeland Security			<u>121,253</u>
<u>U.S. Department of Agriculture</u>			
Natural Resource Conservation Service Conservation Technical Assistance	10.902	68-4310-6-158	<u>6,311</u>
Total U.S. Department of Agriculture			<u>6,311</u>

**BURKE COUNTY, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Transportation</u>			
Section 5311 Rural Public Transportation (Passed through Georgia Department of Transportation)	20.509	MTG00-0139-00-136 GA-18-9028	\$ 108,653
Section 5311 Rural Public Transportation (Passed through Georgia Department of Transportation)	20.509	MTG00-0139-00-206 GA-18-0028	<u>39,105</u>
Total U.S. Department of Transportation			<u>147,758</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 426,719</u></b>

**Note – Significant Accounting Policies**

The significant accounting policies used to prepare the schedule of expenditures of federal awards is the same as those described in Note 1 to the financial statements.

**BURKE COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**SUMMARY OF THE AUDITORS' RESULTS**

1. An unqualified opinion was issued on the basic financial statements of Burke County, Georgia for the year ended September 30, 2008.
2. We noted the following reportable conditions in internal control over financial reporting that are not considered to be a material weakness:

**Finding:**                         **2008-1**

**Criteria:**

Transactions for all funds should be maintained on the County's general ledger system.

**Condition:**

The following funds were not recorded on the trial balance:

Special Revenue Funds

Law Library  
Public Library

Trust and Agency Funds

Clerk of Superior Court	Solicitor of State Court
Probate Court	Tax Commissioner
Sheriff	Magistrate Court

**Cause:**

The Special Revenue and Fiduciary Funds are maintained by the Constitutional Office and a department outside of the County Accounting Office.

**Effect:**

Internal controls and operating efficiencies are weakened.

**Management Response:**

Finding 2008-1 states that transactions for all funds were not recorded in the County's centralized general ledger system. We concur with the finding. However we are not in possession of these accounts. They are under the control and supervision of independent boards or elected officials. We have discussed the situation and the need to have these funds accounted for in our central system. This remains to be a difficult recommendation to implement on a practical basis due to each office wanting to maintain control over their funds. We will continue to discuss this with the various boards and elected officials.

**Finding:**                         **2008-2**

**Criteria:**

All County bank accounts should be in the custody, care and control of the County.

**Condition:**

A Victims Assistance bank account was not in custody, care and control of the Burke County, Accounting Department at September 30, 2008.

**Cause:**

The cash held by the Victims Assistance monitor should have been transferred to the County, for custody, care and control.

**BURKE COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES – CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**Effect:**

Internal controls and operating efficiencies are weakened.

**Management Response:**

Finding 2008-2 states that all County bank accounts should be in the custody, care and control of the County. We concur with this finding. We will continue to, as we have done a number of times in the past, request that all Victims Assistance bank funds be surrendered to the County Accounting Department.

**Finding:**

**2008-3**

**Criteria:**

Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance.

**Condition:**

Certain County deposits held with financial institutions were not adequately collateralized.

**Cause:**

The County requested the funds to be collateralized but were not by the financial institution.

**Effect:**

*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.

**Management Response:**

Finding 2008-3 states that certain County deposits held with financial institutions were not adequately collateralized. We concur with this finding. We have contacted the financial institution which caused this finding and have notified the management in writing of the need for collateralization.

**BURKE COUNTY, GEORGIA**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**SUMMARY OF PRIOR AUDIT FINDINGS**

There were no audit findings reported for the year ended September 30, 2007, that require a response for the audit of the year ended September 30, 2008.

**BURKE COUNTY, GEORGIA**  
**SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES**  
**TAX, 2001 – 2006**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Prior Years Cost</u>	<u>Current Period Cost</u>	<u>Total Cost</u>	<u>Estimated Percentage of Completion</u>
<b>Burke County</b>					
Recreation facility	\$ 1,257,600	\$ 1,432,290	\$ -	\$ 1,432,290	100%
Industrial Development	1,500,000	1,006,316	688,696	1,695,012	100%
Library	500,000	468,111	-	468,111	94%
Roads, streets, and bridges	4,664,582	4,603,701	-	4,603,701	99%
<b>Waynesboro</b>					
Water and sewer system improvements	3,312,979	3,272,436	-	3,272,436	99%
<b>Sardis</b>					
Roads, streets, and bridges	700,000	691,784	-	691,784	99%
<b>Midville</b>					
Trash service, water improvements, and library renovations	360,000	380,045	9,024	389,069	100%
<b>Keyville</b>					
Multi-purpose facility	200,000	211,760	4,388	216,148	100%
<b>Girard</b>					
Roads, streets, and bridges	23,000	23,015	2,759	25,774	100%
Waterworks system/school house	<u>104,000</u>	<u>110,926</u>	<u>-</u>	<u>110,926</u>	100%
<b>Totals</b>	<u>\$ 12,622,161</u>	<u>\$ 12,200,384</u>	<u>\$ 704,867</u>	<u>\$ 12,905,251</u>	

**BURKE COUNTY, GEORGIA**  
**SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES**  
**TAX, 2006 – 2012**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Project	Original Estimated Cost	Prior Years Cost	Current Period Cost	Total Cost	Estimated Percentage of Completion
<b>Burke County</b>					
Recreation facility	\$ 1,000,000	\$ 89,600	\$ 175,318	\$ 264,918	26%
Industrial Development	1,000,000	-	3,545	3,545	0.35%
Building construction and renovations	1,500,000	130,146	542,468	672,614	45%
Hospital projects	1,500,000	422,950	322,503	745,453	50%
Roads, streets, and bridges	5,257,673	1,873,159	1,553,075	3,426,234	65%
<b>Waynesboro</b>					
Water, sewer, and storm drainage systems/building renovations	4,301,605	1,203,901	924,853	2,128,754	49%
<b>Sardis</b>					
Capital equipment/building renovations/ streets, drainage, and sidewalks	992,000	277,823	213,427	491,250	50%
<b>Midville</b>					
Building renovations/water and sewer improvements and equipment	496,339	138,912	106,714	245,626	49%
<b>Keyville</b>					
Water system improvements/building renovations	330,893	92,607	71,142	163,749	49%
<b>Girard</b>					
Building renovations/equipment shed/ holiday decorations/walking path	<u>165,446</u>	<u>46,304</u>	<u>35,571</u>	<u>81,875</u>	49%
<b>Totals</b>	<u>\$ 16,543,956</u>	<u>\$ 4,275,402</u>	<u>\$ 3,948,616</u>	<u>\$ 8,224,018</u>	