Baker County, Georgia

Financial Statements

For the Fiscal Year Ended

April 30, 2016

Baker County, Georgia
For the Fiscal Year Ended April 30, 2016
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Perry L. Henry, LLC

Certified Public Accountant and Consultant

Perry L. Henry, CPA, CGFM, CFS

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INDEPENDENT AUDITORS' REPORT

Honorable Chairperson and
Members of the Board of Commissioners of
Baker County, Georgia
Newton, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Baker County, Georgia as of and for the fiscal year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Baker County Health Department, which represent 5%, (2%), and 12%, respectively, of the assets, net position, and revenues of Baker County, Georgia. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Baker County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Baker County, Georgia as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate, operational, economical or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule – General Fund on pages 34 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express and opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express and opinion of provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Baker County's basic financial statements. The supplementary information, including the combining and individual fund statements and schedules and other information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and is also not a required part of the basic financial statements.

The accompanying combining and individual fund statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds are the responsibility if management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2016 on our consideration of Baker County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part on an audit performed in accordance with *Government Auditing Standards* in considering Baker County's internal control over financial reporting and compliance.

Perry L. Henry, LLC

Perry L. Henry, LLC
Certified Public Accountant
Bainbridge, Georgia
October 20, 2016

Baker County, Georgia
Statement of Net Position
April 30, 2016

	Governmental Activities	Total	Component Unit
ASSETS			
Cash on hand and in banks	$ 1,455,554	$ 1,455,554	$ 198,504
Receivables (net, where applicable, of allowances for uncollectible):			
Taxes	314,758	314,758	-
Accounts	114,238	114,238	-
Other	-	-	233
Due from other governments	-	-	13,664
Prepaid expenses	18,300	18,300	-
Land and construction in progress	68,013	68,013	-
Other capital assets, net of depreciation	3,851,551	3,851,551	-
Total Assets	5,822,414	5,822,414	212,401
Deferred Outflows	-	-	53,082
Total Assets and Deferred Outflows	5,822,414	5,822,414	265,483
LIABILITIES			
Accounts payable	42,418	42,418	10,864
Long-term liabilities:			
Portion due and payable within one year:			
Capital leases	56,052	56,052	-
Portion due and payable after one year:			
Capital leases	372,166	372,166	-
Compensated absences payable	-	-	18,807
Net Pension Liability	-	-	271,207
Total Liabilities	470,636	470,636	300,878
Deferred Inflows	-	-	66,193
Total Liabilities & Deferred Outflows	470,636	470,636	367,071
NET POSITION			
Net investment in capital assets	3,491,346	3,491,346	-
Restricted for:			
Capital projects	591,962	591,962	-
Other purposes	25,029	25,029	129,908
Unrestricted	1,243,441	1,243,441	(231,496)
Total Net Position	$ 5,351,778	$ 5,351,778	$ (101,588)

The accompanying notes are an integral part of these financial statements.

Baker County, Georgia
Statement of Activities
For the Fiscal Year Ended April 30, 2016

Functions/Programs	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total	Component Unit
Governmental:							
General Government	$ 612,893	$ 95,251	$ 17,468	$ -	$ (500,174)	$ (500,174)	
Judicial	226,997	120,486	-	-	(106,511)	(106,511)	
Public Safety	745,226	47,403	17,420	-	(680,403)	(680,403)	
Public Works	683,015	273,881	-	212,690	(196,444)	(196,444)	
Health and Welfare	158,646	-	44,994	-	(113,652)	(113,652)	
Culture and Recreation	3,653	-	-	-	(3,653)	(3,653)	
Housing and Development	76,463	-	-	-	(76,463)	(76,463)	
Interest on long-term debt	9,540	-	-	-	(9,540)	(9,540)	
Total governmental activities	$ 2,516,433	$ 537,021	$ 79,882	$ 212,690	(1,686,840)	(1,686,840)	
Component unit:							
Baker County Board of Health	$ 352,745	$ 129,614	$ 216,143	$ -			$ (6,988)
Total component unit	$ 352,745	$ 129,614	$ 216,143	$ -			(6,988)

The accompanying notes are an integral part of these financial statements.

Baker County, Georgia
Statement of Activities
For the Fiscal Year Ended April 30, 2016

Functions/Programs	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Total	Component Units
Changes in Net position:							
Net (expenses) revenue (Page 3)					(1,686,840)	(1,686,840)	(6,988)
General revenues:							
Taxes							
Property taxes, levied for general purposes					1,549,376	1,549,376	-
Sales taxes					356,169	356,169	-
Business taxes					8,403	8,403	-
Penalties and interest on delinquent taxes					16,473	16,473	-
Insurance premium tax					146,797	146,797	-
Investment earnings					2,400	2,400	-
Miscellaneous					76,276	76,276	-
Special item - sale of capital assets					(1,339)	(1,339)	-
Total general revenues					2,154,555	2,154,555	-
Change in net position					467,715	467,715	(6,988)
Net position - beginning					4,884,063	4,884,063	(94,600)
Net position - ending					$ 5,351,778	$ 5,351,778	$ (101,588)

The accompanying notes are an integral part of these financial statements.

Baker County, Georgia
Balance Sheet
Governmental Funds
April 30, 2016

	General Fund	SPLOST Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash on hand and in banks	$ 887,455	$ 558,361	$ 9,738	$ 1,455,554
Receivables (net, where applicable, of allowances for uncollectible):				
Taxes, including interest, penalties & liens	279,111	35,647	-	314,758
Accounts	114,238	-	-	114,238
Total Assets	$ 1,280,804	$ 594,008	$ 9,738	$ 1,884,550
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 34,052	$ 2,046	$ 4,989	$ 41,087
Other payables	1,336	-	-	1,336
Total Liabilities	35,388	2,046	4,989	42,423
Deferred Inflows of Resources				
Unavailable Revenues	307,941	-	-	307,941
Total Deferred Inflows of Resources	307,941	-	-	307,941
Fund Balances				
Restricted for:				
Family Connections	18,521	-	-	18,521
Senior Center	1,759	-	-	1,759
Capital Projects	-	591,962	-	591,962
Public Safety	-	-	4,749	4,749
Unassigned	917,195	-	-	917,195
Total Fund Balances	937,475	591,962	4,749	1,534,186
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,280,804	$ 594,008	$ 9,738	$ 1,884,550

The accompanying notes are an integral part of these financial statements.

Baker County, Georgia
Reconciliation of the Governmental Funds Balance Sheet to the Statements of Net Position
April 30, 2016

Total *fund* balances for governmental funds (Page 7)		$ 1,534,186
Total *net position* reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land and Construction in Progress	68,013	
Infrastructure	2,410,949	
Buildings	3,129,543	
Machinery	1,420,658	
Total capital assets	7,029,163	
Accumulated depreciation	(3,109,599)	
Total assets - net	3,919,564	3,919,564
Some of the County's taxes and other revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavaliable revenue in the funds.		307,942
Governmental funds recognize expenditures using the purchases method. However, the Statement of Activities uses the accrual method and, thus, only the amount is recognized as expense when it is consumed. The unconsumed portion is recorded as an asset.		18,304
Long-term liabilities, including capital leases payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		(428,218)
Total net position of governmental activities (Page 2)		$ 5,351,778

The accompanying notes are an integral part of these financial statements.

Baker County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2016

	General Fund	SPLOST Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 1,682,715	$ 187,457	$ -	$ 1,870,172
Licenses & Permits	7,338	-	-	7,338
Intergovernmental	80,587	212,467	-	293,054
Charges for Services	368,807	-	34,595	403,402
Fines & Forfeitures	72,727	-	13,856	86,583
Investment Income	2,392	223	8	2,623
Contributions	11,600	-	-	11,600
Miscellaneous	63,134	-	-	63,134
Total Revenues	2,289,300	400,147	48,459	2,737,906
EXPENDITURES				
Current Operating				
General Government	514,647	-	-	514,647
Judicial	255,918	-	-	255,918
Public Safety	487,495	-	175,601	663,096
Public Works	493,575	-	-	493,575
Health and Welfare	144,604	-	-	144,604
Cultural & Recreation	8,682	-	-	8,682
Housing and Development	88,095	-	-	88,095
Intergovernmental	-	10,453	-	10,453
Capital Outlay				
General Government	2,003	-	-	2,003
Judicial	1,201	-	-	1,201
Public Safety	2,287	-	-	2,287
Public Works	1,950	62,433	-	64,383
Debt Service				
Principal	7,034	47,703	-	54,737
Interest	400	9,540	-	9,940
Total Expenditures	2,007,891	130,129	175,601	2,313,621
Excess (Deficiency) of Revenues Over Expenditures	281,409	270,018	(127,142)	424,285
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	130,000	130,000
Transfers Out	(130,000)	-	-	(130,000)
Total Other Financing Sources (Uses)	(130,000)	-	130,000	-
SPECIAL ITEM				
Proceeds from sale of assets	20,375	-	-	20,375
Net Change in Fund Balances	171,784	270,018	2,858	444,660
Fund Balances - beginning of period	765,691	321,944	1,891	1,089,526
Fund Balances - end of period	$ 937,475	$ 591,962	$ 4,749	$ 1,534,186

The accompanying notes are an integral part of these financial statements.

Baker County, Georgia
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Net Activities
For the Fiscal Year Ended April 30, 2016

Net change in fund balances - total governmental funds (Page 7)	$	444,660
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of $314,037 exceeded capital outlay of $56,017 in the current period.		(258,020)
In governmental funds, capital assets are not recorded in the fund. Thus, a disposal of an asset has no effect in the governmental fund, other than recording of the proceeds, if any, from the sale. However, the Statement of Activities recognizes a gain or loss related to the disposal of the asset. Thus, the change in net assets differs from the change in fund balance by the net basis (cost less accumulated depreciation) of the capital assets sold/disposed.		(21,717)
Capital lease payments are reported as expenditures in the governmental funds, but reduces the liability in the Statement of Net Position.		54,737
Governmental funds defer all tax revenues not collected within 60 days of year-end. However, the Statement of Activities uses the accrual method and, thus, the entire amount is recognized as revenue, regardless of the collection date.		247,961
Governmental funds recognize expenditures for certain items using the purchases method. However, the Statement of Activities uses the consumption method and, thus, only the amount of prepaid benefits consumed are recognized.		94
Change in net position of governmental activities (Page 4)	$	467,715

The accompanying notes are an integral part of these financial statements.

Baker County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
April 30, 2016

ASSETS		
Cash	$	26,691
Receivables		628,641
Total Assets	$	655,332
LIABILITIES		
Due to others	$	655,332
Total Liabilities	$	655,332

The accompanying notes are an integral part of these financial statements.

Baker County, Georgia
Statement of Net Position
Component Unit
April 30, 2016

	Baker County Board of Health
Assets	
Cash	$ 198,504
Other receivables	233
Due from DPH	13,664
Total current assets	212,401
Deferred Outflows	53,082
Total assets and deferred outflows	$ 265,483
Current liabilities:	
Accounts payable, trade	$ 10,864
Compensated absences	2,090
Total current liabilities	12,954
Non-Current Liabilities:	
Compensated absences	16,717
Net pension liabilties	271,207
Total non-current liabilities	287,924
Total liabilities	300,878
Deferred Inflows	66,193
Total liabilites and deferred inflows	367,071
Net position:	
Restricted	129,908
Unrestricted	(231,496)
Total net position	(101,588)
Total liabilities and net position	$ 265,483

The accompanying notes are an integral part of these financial statements.

Baker County, Georgia
Statement of Activities
Component Unit
For the Fiscal Year Ended April 30, 2016

Activities:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Baker County Board of Health	Net (Expenses) Revenues and Changes in Net Position: Total
Component unit:						
Baker County Board of Health	$ 352,745	$ 129,614	$ 216,143	$ -	$ (6,988)	$ (6,988)
Total component unit	$ 352,745	$ 129,614	$ 216,143	$ -	(6,988)	(6,988)
					(6,988)	(6,988)
	Net position - beginning				197,852	197,852
	Prior period adjustment				(292,452)	(292,452)
	Net assets - beginning - as restated				(94,600)	(94,600)
	Net position - ending				$ (101,588)	$ (101,588)

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Baker County, Georgia operates under a County Commissioner form of government and provides the following services as authorized by state law; public safety (police and fire), highway and streets, health and social services, recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the reporting entity include those of Baker County, Georgia (the primary government) and its component unit. A component unit is a legally separate organization for which elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component unit discussed below is included in the County's reporting entity because of the significance of the operational and financial relationships with the County. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity*, the financial statements of the component unit has been included as a discretely presented component unit. The component unit column in the basic financial statements includes the financial data for the County's component unit, as reflected in their most recent audited financial statements. This is reported in columns separate from the County's financial information to emphasize that they are legally separate from the County.

Baker County Board of Health – The County Board of Health provides health services to the citizenry of Baker County, Georgia. The County Board of Health is a legally separate entity. The Board of Commissioners of Baker County appoints a voting majority of the Board of Health. The County has the ability to impose its will on the Board of Health in accordance with Georgia Laws O.C.G.A. 31-3-14. Complete financial statements of the Baker County Board of Health may be obtained at the offices in Baker County, Georgia.

Baker County Development Authority – The Baker County Development Authority, a separate legal entity, was designed for the purpose of developing and promoting for the public good and welfare, trade, commerce, industry and employment opportunities within the County. The Baker County Development Authority did not issue separate Component Unit Financial Statements. The financial information for the Baker County Development Authority is not presented in this report because the amounts are immaterial to the financial statements of Baker County, Georgia.

Joint Ventures

Baker County, in conjunction with cities and counties in the fourteen (14) county Southwest Georgia area are members of the Southwest Georgia Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-32 provides for the organizational structures of the RC's. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The RC Council membership is defined in State Law O.C.G.A. Section 50-8-34 and specifies that the chief elected official of the County governing authority be a member of the Council.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-32) defines RCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources. (O.C.G.A. 50-8-39)

Complete financial statements for the Southwest Georgia RC can be obtained from the RC office at P.O. Box 346, 30 West Broad Street, Camilla, Georgia 31730-0346 or from the County Clerk's Office.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The County does not allocate indirect costs.

Separate financial statements are provided for governmental funds. Major individual governmental fund are reported as separate columns in the fund financial statements.

C. 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 fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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 imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

General Fund – This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounting for in another fund.

SPLOST Capital Projects Fund – This is a capital projects fund established to account for all Special Purpose Local Option Sales Tax collected and the outlays as specified by the referendum.

Additionally, the County reports the following fund types:

Agency funds – The County reports four agency funds: Clerk of Superior Court, Tax Commissioner, Probate Court, and Magistrate Court. These funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, Liabilities, and Equity

1. Deposits and Investments

Baker County, Georgia's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less.

The County has authorized its governing officials to maintain deposit investments with financial institutions. There were no legal or contractual violations in regard to these investments during the year.

Investments are stated at cost or amortized cost.

2. Receivable and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account inapplicable to governmental funds to indicate they are not available for appropriation and are not expendable, available financial resources.

All trade and property tax receivables are shown net of allowance for uncollectibles. Property taxes were levied on August 4, 2015 and were due on December 21, 2015. An enforceable lien was placed on property for which taxes had not yet been paid on August 10, 2016.

3. Inventories and Prepaid Items

Expendable supplies are recorded as expenditures at the time items are purchased. The County does not record inventories of supplies on the books.

Certain payments to vendors reflect cost applicable to future accounting periods and are reported as prepaid expenses in the government-wide financial statements. The County had prepaid workers' compensation insurance of $10,670 and prepaid liability insurance of $7,630. These items will be expensed in the subsequent year. In the governmental fund statements those prepaids are recognized when purchased.

4. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. 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 assets' lives are not capitalized.

As a Phase 3 government the County can elect to capitalize infrastructure from the date of inception forward. The County has elected to do so.

Capital assets are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	40 years
Buildings and Improvements	20-30 years
Vehicles and Equipment	5-7 years

The standard capitalization thresholds for capitalizing assets for each major class of assets established by the Baker County Board of Commissioners are detailed below:

Class of Asset	Capitalization Threshhold	Control Threshold
Land/Land Improvements	Capitalize All	All
Building/Building Improvements	$ 5,000	$ 500
Facilities and Other Improvements	5,000	500
Infrastructure	100,000	100,000
Equipment	5,000	500
Furniture	5,000	500
Vehicles, Boats, and Aircraft	5,000	500
Software (developed or purchased)	5,000	500
Library Books/Materials (collections)	Capitalize All	All
Works of Art/Historical Treasures	Capitalize All	All
Leasehold Improvements	5,000	5,000

There were not any construction projects with capitalized interest for the year ended April 30, 2016.

5. Compensated Absences

Costs of vacation pay are not recorded until such benefits are paid. GASB Standards require that vacation pay be accrued when:

(1) The employer's obligation to employees' right to receive compensation for future benefits is attributable to employees' service already rendered.
(2) The obligation related to rights that vest or accumulate.
(3) Payment of compensation is probable, and
(4) The amount can be reasonably estimated.

Accumulated sick pay benefits have not been recorded as a liability because these benefits are paid only upon the illness of an employee and the amount of such payments cannot be reasonably estimated.

6. Fund Equity

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

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

- *Nonspendable* – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- *Restricted* – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- *Committed* – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of County Commissioners through the adoption of a resolution. The Board of County Commissioners also may modify or rescind the commitment.

- *Assigned* – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's finance committee or the County's finance director to assign fund balances.

- *Unassigned* – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund.

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

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net position – net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

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

7. Deferred Inflows of Resources

During the year ended April 30, 2015 the County implemented GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB 65, Items Previously Reported as Assets and Liabilities. As a result of these standards, certain items previously reported as assets and liabilities are now reported as deferred outflows and deferred inflows of resources.

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any items that qualify for reporting in this category.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property taxes of $220,476 and garbage receivables of $87,465 are listed as unavailable and are deferred to be recognized as an inflow of resources in the period that the amounts become available.

NOTE 2 – DEPOSITS AND INVESTMENTS

The County's deposits at year-end were entirely covered by federal depository insurance or collateral held by the County's custodial banks in the County's name or held by a third party bank in the County's name. Statutes authorize the County to invest in obligations of this state 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 U.S., obligations of any corporation of the U.S. government, prime bankers acceptances, the Local Government Investment Pool established by state law, repurchase agreements and obligations of other political subdivisions of the State of Georgia.

Custodial Credit Risk – Deposits – This is the risk that in the event of a bank failure, the County's deposits may not be returned to it. All of the County's deposits are covered by a combination of federal depository insurance and securities pledged by financial institutions as collateral to protect the deposits of the County as required under state law. Therefore, the County has no custodial credit risk for its deposits.

NOTE 3 – CAPITAL ASSETS

Capital assets for the year ended April 30, 2016 are as follows:

Depreciation expense was charged to the governmental functions as follows:

General activities:	
General Government	$ 97,082
Public Safety	37,142
Roads and Bridges	170,771
Health and Welfare	9,042
Total depreciation expense - governmental activities	$ 314,037

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 11,996	$ -	$ -	$ 11,996
Construction in Progress	-	56,017	-	56,017
Total capital assets, not being depreciated	11,996	56,017	-	68,013
Capital assets being depreciated:				
Infrastructure	2,410,949	-	-	2,410,949
Building and Improvements	3,129,543	-	-	3,129,543
Equipment, Furniture and Vehicles	1,600,254	-	179,596	1,420,658
Total capital assets being depreciated	7,140,746	-	179,596	6,961,150
Less accumulated depreciation:				
Infrastructure	337,994	80,365	-	418,359
Building and Improvements	1,687,983	98,992	-	1,786,975
Equipment, Furniture and Vehicles	927,467	134,680	157,882	904,265
Total Accumulated Depreciation	2,953,444	314,037	157,882	3,109,599
Governmental activities capital assets, Net	$ 4,199,298	$ (258,020)	$ (21,714)	$ 3,919,564

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Machinery and equipment	$ 561,183
Less: Accumulated depreciation	(179,890)
Total	$ 381,293

This year, $77,307 was included in depreciation expense for these items purchased with capital leases.

NOTE 4 – INTERFUND BALANCES AND ACTIVITIES

Transfers To/From Other Funds

Transfers to/from funds at April 30, 2016 consisted of the following:

	Transfer In		
Transfer Out	**Jail Fund**	**E-911 Fund**	**Total**
General Fund	$ 76,292	$ 53,708	$ 130,000
Totals	$ 76,292	$ 53,708	$ 130,000

Transfers were for normal general operating purposes.

NOTE 5 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended April 30, 2016 are as follows:

	Beginning Balance	Increases	Decreases	Debt Forgiveness	Ending Balance	Due within One Year
Governmental activities:						
Capital Leases Payable	$ 482,955	$ -	$ 54,737	$ -	$ 428,218	$ 56,052
Total Governmental activities	$ 482,955	$ -	$ 54,737	$ -	$ 428,218	$ 56,052

Capital Leases

Baker County has five (5) lease agreements as lessee for financing the acquisition of various equipment. The lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

Debt service requirements on capital leases as of April 30, 2016 are as follows:

Fiscal Year	Principal	Interest	Total
2017	56,052	8,620	64,672
2018	57,239	6,953	64,192
2019	35,396	5,647	41,043
2020	279,531	2,571	282,102
Total	$ 428,218	$ 23,791	$ 452,009

All capital leases payable are to be paid in full during the fiscal year ended April 30, 2020.

The following is a summary of the County's capitalized lease obligations:

Purpose	Original Amount	Payment Amounts	Interest Rate	Payments	Minimum Lease Payments	Net Present Value
John Deere Financial Lease-purchase contract for John Deere 5115M Tractor	$ 50,220	11,361	4.25%	60	$ 22,661	$ 21,388
John Deere Financial Lease-purchase contract for John Deere 5525 Utility Tractor and Tiger 40C Boom Mower	20,220	403	6.00%	60	9,249	8,621
BB&T Lease-purchase contract for John Deere 672G Motor Grader	200,250	1,430	1.89%	60	188,648	178,437
BB&T Lease-purchase contract for John Deere 672G Motor Grader	236,850	1,990	1.89%	60	216,582	205,308
BB&T Lease-purchase contract for License Tag Reader	23,887	7,434	1.86%	60	14,869	14,464
Totals	$ 531,427				$ 452,009	$ 428,218

NOTE 6 – CONTRIBUTIONS TO PENSION PLAN

The County does not maintain its own pension plan. The County does, however, provide a deferred compensation program for its employees. The plan is administered by the Public Employees Benefit Services Corporation through the National Association of Counties.

All employees of the County are eligible to participate in the plan. Contributions are from employees only. The County does not make any contributions to the plan. Employee contributions are limited to 25% of the participants' income in accordance with Section 457 of the Internal Revenue Code.

In addition to the above plan, the following pension and retirement plans are in effect but are not under the direct control of the County:

A. PROBATE JUDGES' RETIREMENT FUND OF GEORGIA

The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

B. CLERK OF SUPERIOR COURT RETIREMENT FUND

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

C. SHERIFF'S RETIREMENT FUND/PEACE OFFICER'S ANNUITY AND BENEFIT FUND

The Sheriff and Sheriff Deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

NOTE 7 – BUDGETARY DATA AND BUDGETARY CONTROL

1. Prior to the start of the new fiscal year, the Chairman submits to the Commission a proposed operating budget. The operating budget includes proposed expenditures and the means of financing them.
2. The Commission holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Baker County.
3. The budget is then revised and adopted or amended by the Commission.
4. The budget so adopted may be revised during the year only by formal action of the Commission in a regular meeting and no increase shall be made therein without provision also being made for financing same.
5. Formal budgetary integration has not been employed. The budgets for the General Fund and Special Revenue Funds are not adopted on a basis consistent with generally accepted accounting principles.
6. Budgeted amounts are as originally adopted, or as amended by the Commission.

Revenues are budgeted by sources. Expenditures are budgeted by department. The legal level of control is by department. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to final review by the County Commission. Within these control levels, management may transfer appropriations without commission approval.

The budget for the year ended April 30, 2016 was originally adopted on May 6, 2015. It was amended twice during the fiscal year.

NOTE 8 – 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; injuries to employees; and natural disasters. The County has joined with other counties in the state as part of the ACCG-IRMA and the ACCG-GSIWCF (a Worker's Compensation Self Insurance Fund). These are public entity risk pools currently operating as a common risk management and insurance programs for member local governments.

Pursuant to provisions of the Official Code of Georgia Annotated, Baker County became a member of the ACCG Interlocal Risk Management Agency. The agency established and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of the government. The agency is to defend and protect in accordance with the member government contract and related coverage descriptions any member of the agency against liability or loss.

Baker County, Georgia must participate at all times in at least one fund which is established by the agency. Other responsibilities of the County are as follows:

- To pay all contributions, assessments, or other sums due to the agency at such times and in such amounts as shall be established by the agency.
- To select a person to serve as a member representative.
- To allow the agency and its agents reasonable access to all facilities of the County and all records, including but not limited to financial records, which relate to the purposes of the agency.
- To allow attorneys appointed by the agency 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 fund or funds established by the agency.
- To assist and cooperate in the defense and settlement of claims against the County.

- To furnish full cooperation to the agency's attorneys, claims adjusters, service company, and any agent, employee, officer, or independent contractor of the agency relating to the purposes of the agency.
- To follow all loss reduction and prevention procedures established by the agency.
- To furnish to the agency such budget, operating, and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the agency or any fund established by the agency being required to pay claim for loss or injuries to County property or injuries to persons or property when such loss or injury is within the scope of the protection of a fund or funds in which the County participates.

Baker County, Georgia retains the first $1,000 of each risk of loss in the form of a deductible. The County files all claims with the agency and the agency bills the County for any loss up to the $1,000 deductible.

Pursuant to provisions of the Official Code of Georgia Annotated, Baker County became a member of the ACCG-GSIWCF (a Workers' Compensation Self Insurance Fund). The liability of the fund to the employees of any employer (Baker County) is specifically limited to such obligations as are imposed by the applicable state laws against the employer for workers' compensation and/or employers' liability.

As part of this risk pool, the County is obligated to pay all contributions and assessments prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund 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 fund.

The fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding of compensation therefor, although such suits, other proceedings, allegations or demands be wholly groundless, false, or fraudulent. The fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgement, and all expenses incurred for investigation, negotiation, or defense. Settled claims in the past three years have not exceeded the coverage.

NOTE 9 – CONTINGENT LIABILITIES

The County is not aware of any pending litigation or contingent liabilities that would require disclosure.

NOTE 10 – SPECIAL ITEM – SALES OF CAPITAL ASSETS

During the fiscal year ended April 30, 2016, the County sold/returned certain capital assets, which were transactions the County considers infrequent in occurrence. The County has reported these transactions as special items in the government-wide financials statements as required by GASB 34, paragraph 56. The transactions consisted of the disposition of a 2001 Ford F350 Ambulance and a 2009 Ambulance.

NOTE 11 – DISCRETELY PRESENTED COMPONENT UNIT – BAKER COUNTY HEALTH DEPT

A. Summary of Significant Accounting Policies

The Summary of Significant Account Policies is presented to assist the reader in interpreting the financial statements. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the Baker County Health Department conform to generally accepted accounting principles (GAAP) as applicable to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB) or, where applicable, the Financial Accounting Standards Board (FASB).

The accounting policies of the Baker County Board of Health are based upon accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along, with the subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

The following GASB Statements became effective July 1, 2014:

GASB Statement No. 68, Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27 (GASB 68) was issued to establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. For defined benefit pensions, this Statement identified the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are also addressed. The requirements of GASB 68 are effective for fiscal year 2015.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations (GASB 69) was issued to improve accounting and financial reporting for U.S. state and local governments' combinations and disposals of government operations. The requirements of GASB 69 are effective for fiscal year 2015.

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement 68 (GASB 71) was issued to eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. The requirements of GASB 71 are required to be applied simultaneously with the provisions of GASB 68 (fiscal year 2015).

The following GASB Statements became effective July 1, 2015:

GASB Statement No. 72, Fair Value Measurement and Application (GASB 72) requires state and local governments to measure investments at fair value using a consistent definition and valuation techniques and expands fair value disclosures. The requirements of GASB 72 are effective for fiscal year 2016. The Board of Health is currently evaluating the impact that GASB 72 may have on its financial statements.

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 (GASB 73) establishes requirements for defined-benefit pensions and defined-

contribution pensions not administered through a trust meeting specified criteria, i.e., those not covered by Statements 67 and 68. The requirements of GASB 73 are effective for fiscal year 2016, for assets accumulated for purposes of providing pensions through defined-benefit pension plans. The Board of Health is currently evaluating the impact that GASB 73 may have on its financial statements.

GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments (GASB 76) – The GAAP Hierarchy prioritizes guidance governments follow when preparing GAAP financial statements; the standard reduces authoritative GAAP Hierarchy to two categories from four. The requirements of GASB 76 are effective for fiscal year 2016. The Board of Health is currently evaluating the impact that GASB 76 may have on its financial statements.

Reporting Entity

The Baker County Health Department is governed by the Baker County Board of Health. These financial statements report only the financial activities of the Baker County Health Department. These financial statements are included as a discretely presented component unit of Baker County, Georgia. The Board does not exercise any authority over any other entity which would require inclusion in these financial statements as required by Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Government Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Agency. Governmental activities are normally supported by client fees and grant-in-aid from the Georgia Department of Public Health (DPH).

The Statement of Activities reports the expenses of a given function or activity and are offset by program revenues. Direct expenses are those that are clearly identifiable to activities within a specific function or identifiable program. Program revenues include: 1.) Charges to clients for services provided by the Agency, and 2.) Grants and contributions that are restricted to meeting the operational requirement of a particular function or identifiable program as specified by DPH and other granting agencies. Intra/Inter agency revenues and expense are not reflected in the Statement of Activities.

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded as expenditures only when payment is due.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Basis of Presentation

The financial transactions of the Health Departments are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

GASB Statement 34 *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments* sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Health Departments electively added funds, as major funds, which either had debt outstanding or specific community focus. The non-major governmental funds are combined in a single column in the fund financial statements. The Health Department has no non-major governmental funds.

Governmental Funds

The measurement focus of the Governmental Funds (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major Governmental Funds of the Health Departments:

The General Fund accounts for all of the Health Department's services and is the primary operating unit of the Health Departments.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are presented on an accrual basis of accounting. The Governmental Funds in the fund financial statements are presented on a modified accrual basis.

Accrual

Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

Under the modified basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the following 3 months. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt and compensated absences, if any, are recognized when due.

Fund Balances

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Health Department's highest level of decision-making authority, the Board of Health. A formal resolution of the Health Departments is required to establish, modify, or rescind a

fund balance commitment. The Health Department reports assigned fund balance for amounts that are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual amount remaining that does not meet any other criterion.

When the Health Department incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Health Department's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the Health Departments has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The Health Departments applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net position is available.

Baker County Health Department has no proprietary or fiduciary funds.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The health department has two types of items that qualify for reporting in this category; (1) it is the change in proportion and differences between employer contributions and proportionate share of contributions for pensions and, (2) the health department's contributions subsequent to the measurement date. These amounts are deferred and will be recognized as an outflow in the applicable period.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The health department has one type of item that qualifies for reporting in this category; the net difference between projected and actual earnings on pension plan investments. This amount is deferred and will be recognized as an inflow of resources in the period in which the amount become available.

Capital Assets – Fund Financial Statements – Assets are not capitalized in the General Fund. Instead, equipment purchases are reflected as expenditures in the operating statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. The costs of normal repairs and maintenance are shown as expenditures. The Center follows Georgia Department of Public Health policy in regard to cumulative capital asset records.

Capital Assets and Depreciation – Government-Wide Financial Statements – Capital Assets are recorded as follows for the Statement of Net Position and Statement of Activities:

The Health Department's capital assets with useful lives of more than one year are stated at historical cost. Donated assets are stated at fair value of the date of the donation. The Health Department capitalizes all assets with a cost of $5,000 or more as purchased. The cost of normal repairs and maintenance that do not add to the asset value or materially extend the useful lives are not capitalized.

Capital assets are depreciated using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

Computer Equipment	5 years
Furniture and Other Equipment	7 years
Vehicles	5 years

Compensated Absences – Center employees earn 10, 12, or 14 hours of annual leave per month depending on length of service. The maximum allowable accumulation is 360 hours for any one employee. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, "Accounting for Compensated Absences", no liability is recorded for nonvesting accumulated rights to receive sick pay benefits. Center employees earn 10 hours per month sick leave up to a maximum of 720 hours. If an employee terminates he/she forfeits all accumulated sick leave.

Compensated absences are accrued and recorded as a liability on the government-wide financial statements. The annual change in the liability is reflected in the Statement of Activities.

Legal Compliance – Budgetary Restrictions – Line item budgets were developed as part of the grant agreements. Provisions were made for revision of the budgets during the year. The budgeted amounts show in the accompanying statements reflect the final revised budgets for the grants. All budgets were prepared on the modified accrual basis of accounting and are consistent with accounting principles generally accepted in the United States of America.

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

Certain significant estimates in this financial statement include:

- The collectability of consumer receivables.
- Medicaid revenue and receivables.
- Depreciation expense on Agency owned assets.
- Current portion of compensated absences payable.

B. Deposits and Investments

Total deposits and investments as of June 30, 2015, are summarized as follows:

As reported in the Statement of Net Position:		
Cash and cash equivalents	$	198,504
Cash deposited with financial institutions	$	198,430

Interest rate risk. The Health Department 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.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government 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 and 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. As of June 30, 2015, the Health Department did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

C. Due to/from DPH

The Baker County Health Department has amounts receivable and payable to the Georgia Department of Public Health as of June 30, 2015 as follows:

	Due From	Due To	Net
Grant-In- Aid	$ 2,232	$ -	$ 2,232
Administrative Claiming	11,432	-	11,432
	$ 13,664	$ -	$ 13,664

D. Compensated Absences

Non-current liabilities on the Statement of Net Position are made up of compensated absences payable at June 30, 2015. All of the compensated absences are related to governmental activities. Changes in compensated absences for FY2015 are as follows:

Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
$ 19,740	$ -	$ 933	$ 18,807

E. Prior Year Income

In accordance with prior year accounting policies the following revenues were received in the current fiscal year but are not available for use until the next fiscal year.

	Public Health
Fees	$ 44,194
Interest	398
Administrative Claiming	25,700
	$ 70,292

F. Fund Balances

The following is a summary of fund balance transactions for FY15:

		Assigned		
	Unassigned	Prior Year Income	Board Designated	Total
July 1, 2014	$ 71,086	$ 77,208	$ 69,298	$ 217,592
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	543	-	-	543
Operating Transfers In	-	70,292	-	70,292
Total Fund Balance and Additions:	71,629	147,500	69,298	288,427
DEDUCTIONS:				
Operating Tranfers Out	-	(77,208)	(9,682)	(86,890)
Total Deductions	-	(77,208)	(9,682)	(86,890)
Fund Balances - June 30, 2015	$ 71,629	$ 70,292	$ 59,616	$ 201,537

G. Retirement Plan

Plan Description

The Employees' Retirement System (ERS) was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. It is a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans.* ERS is directed by the Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature.

Benefits Provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provision in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees are rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainments of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, post-retirement cost-of-living adjustments may also be made to

members' benefits provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distributions of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions

Member contributions under the old plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Health Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2015 was 21.96% of annual covered payroll for old and new plan members and 18.87% for GSEPS members.

The employees of the Baker County Health Department are covered by the Employee's Retirement System of the State of Georgia. Total retirement contributions for the year ended June 30, 2015 were $35,612 based on qualifying salaries of $162,166.

GASB 68 Implementation

Effective July 1, 2014, Baker County Health Department implemented the provision of GASB 68, as required by the Governmental Accounting Standard Board. In conjunction with the implementation of Government Accounting Standards Board (GASB) No. 68, *Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27, as well as Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – and amendment of GASB Statement No. 68,* the health department is required to change its accounting treatment of pensions. The new standard establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

The following schedules reflect the implementation of GASB Statement No. 68 and information concerning this implementation:

Contributions made during the measurement period (fiscal year ended June 30, 2014): $30,055

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Employer's proportionate share of net pension liability	$ 271,207
Employer's proportion of net pension liability	0.007231%
Increase/(Decrease) from proportion measured as of June 30, 2013	0.000585%
Employer's recognized pension expense	$ 27,478

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	66,193
Changes in proportion and differences between Employer contributions and proportionate share of contributions	17,470	-
Employer contributions subsequent to the measurement date	35,612	-
Total	$ 53,082	$ 66,193

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

Year ended June 30:	
2016	$ (5,630)
2017	(9,996)
2018	(16,548)
2019	(16,549)
2020	-
Thereafter	-

Actuarial Assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary Increases	5.45-9.25%, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, Including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the period after service retirement, for dependent beneficiaries, and for deaths in active services, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004-June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Discount Rate

The discount rate used to measure the collective total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rate equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net liability	$ 395,474	$ 271,207	$ 165,427

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees' Retirement Systems of Georgia Financial Report which is publically available at www.ersga.com.

H. Change in Accounting Principle

There was a prior period restatement of ($292,452) to governmental activities net position which reflects the effects of implementing GASB Statement No. 68.

Therefore in conjunction with the implementation of Statement No. 68, the following restatement was required to the beginning net position of the Government Activities to properly recognize pension related items in the periods in which they were incurred:

Government activities net position, as previously reported	$ 197,852
Adjustment needed to properly report net pension liability	(322,507)
Adjustment needed to properly report the health department's contributions as deferred outflows of resources	30,055
Governmental activities net position, as restated for the fiscal year ended June 30, 2014	$ (94,600)

I. Subsequent Events

The Organization has evaluated subsequent events through November 12, 2015, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Baker County, Georgia
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended April 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
REVENUES				
Taxes	$ 1,836,352	$ 1,808,052	$ 1,665,181	$ (142,871)
Licenses & Permits	3,300	3,300	7,266	3,966
Intergovernmental	63,350	63,350	80,587	17,237
Fines, Forfeitures & Penalties	57,350	57,350	66,802	9,452
Charges for Services	327,700	327,700	358,718	31,018
Investment Income	250	250	1,899	1,649
Miscellaneous	4,477	4,477	74,734	70,257
Total Revenues	2,292,779	2,264,479	2,255,187	(9,292)
EXPENDITURES				
General Government				
General Expenditures	167,899	168,379	114,087	54,292
County Commissioners	198,329	200,829	177,865	22,964
Elections	63,239	60,259	54,265	5,994
Tax Commissioner	83,738	83,738	83,144	594
Tax Assessor	88,723	88,723	83,282	5,441
Board of Equalization	4,871	4,871	1,808	3,063
General Government	606,799	606,799	514,451	92,348
Judicial				
Clerk of Courts	155,574	156,074	155,345	729
Magistrate Court	21,462	21,462	20,765	697
Probate Court	79,220	81,220	80,957	263
Judicial	256,256	258,756	257,067	1,689
Public Safety				
Sheriff	417,214.00	424,514.00	412,028.00	12,486
Ambulance Service	200,618.00	148,710.00	42,819.00	105,891
Coroner/Medical Examiner	7,808.00	7,808.00	6,073.00	1,735
Fire	19,600.00	19,600.00	12,677.00	6,923
Emergency Management	19,476.00	19,476.00	15,949.00	3,527
Public Safety	664,716	620,108	489,546	130,562
Public Works				
Road Department	335,187	335,187	274,065	61,122
Solid Waste	234,400	234,400	223,774	10,626
Disaster	-	1,808	1,808	-
Public Works	569,587	571,395	499,647	71,748
Health and Welfare				
Family Connections	45,000	45,000	42,898	2,102
Health Department	99,500	99,500	99,500	-
Family and Children Services	3,330	3,330	2,206	1,124
Health and Welfare	147,830	147,830	144,604	3,226

Baker County, Georgia
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended April 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
Culture and Recreation				
Culture and Recreation	10,950	10,950	8,597	2,353
Culture and Recreation	10,950	10,950	8,597	2,353
Housing and Development				
County Extension	64,869.00	76,869.00	76,119.00	750
Forest Resources	12,000.00	12,000.00	11,605.00	395
Housing and Development	76,869.00	88,869.00	87,724.00	1,145
Total Expenditures - All Departments	2,333,007.00	2,304,707.00	2,001,636.00	303,071
Net Excess	(40,228.00)	(40,228.00)	253,551.00	293,779
OTHER FINANCING SOURCES (USES)				
Proceeds from debt agreements	-	-	-	-
Transfers (Out)	(150,000)	(150,000)	(130,000)	20,000
Total Other Financing Sources (uses)	(150,000)	(150,000)	(130,000)	20,000
SPECIAL ITEMS				
Proceeds from sale of capital assets	-	-	20,375	(20,375)
Total Special Items	-	-	20,375	(20,375)
Net Excess after Transfers (Use of Prior Year Resources)	$ (190,228)	$ (190,228)	$ 143,926	$ 293,404

Note A-Explanation of Differences between Revenues, Expenditures and Other Financing Sources (Uses) for Budgetary Funds on a Budgetary Basis and GAAP General Fund on a GAAP Basis

Financial Statements General Fund	General Fund
Revenues	
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	$ 2,255,187
Adjustments:	
The County budgets revenues on the cash basis of accounting rather than the modified accrual basis of accounting	34,113
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	$ 2,289,300
Expenditures	
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules	$ 2,001,636
Adjustments:	
The County records expenditures on the cash basis of accounting for budgetary purposes.	6,255
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	$ 2,007,891

Baker County, Georgia
Budgetary Comparison
For the Fiscal Year Ended April 30, 2016

Note B to Required supplementary Information

Budget and Budgetary Accounting

Listed below is a summary of the procedures followed by the County in establishing the budgetary data reflected in the budgetary comparison schedule;

Prior to the start of the new fiscal year, the Chairman submits to the Commission a proposed operating budget. The operating budget includes proposed expenditures and the means of financing them.

The Commission holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Baker County.

The budget is then revised and adopted or amended by the Commission.

The budget so adopted may be revised during the year only by formal action of the Commission in a regular meeting and no increase shall be made therein without provision also being made for financing same.

Formal budgetary integration has not been employed. The budget for the General Fund is not adopted on a basis consistent with generally accepted accounting principles.

Budgeted amounts are as originally adopted, or as amended by the Commission.

Revenues are budgeted by sources. Expenditures are budgeted by department. The legal level of control is by department. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to final review by the County Commission. Within these control levels, management may transfer appropriations without Commission approval.

The budget for the 2016 Fiscal Year was originally adopted on May 6, 2015. It was amended several times during the fiscal year.

SUPPLEMENTAL INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Baker County, Georgia

For the Fiscal Year Ended April 30, 2016

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Emergency 911 – This fund is used to account for the fee collection and the operation of the Emergency 911 system within the County.

Jail – This fund is used to account for the court fine collections that are restricted for specific purposes.

Confiscated Assets – This fund is used to account for the confiscated assets that are restricted for specific purposes.

Baker County, Georgia
Non-Major - Special Revenue Funds
Combining Balance Sheet
April 30, 2016

	E-911	Confiscated Assets Fund	Jail Fund	Totals
Assets				
Cash in bank	$ 5,710	$ 3,028	$ 1,000	$ 9,738
Total Assets	$ 5,710	$ 3,028	$ 1,000	$ 9,738
Liabilities & Fund Balances				
Liabilities				
Accounts payable	$ -	$ -	$ 4,989	$ 4,989
Total Liabilities	-	-	4,989	4,989
Fund Balances				
Restricted for:				
Public Safety	5,710	3,028	(3,989)	4,749
Total Fund Balance	5,710	3,028	(3,989)	4,749
Total Liabilities and Fund Balance	$ 5,710	$ 3,028	$ 1,000	$ 9,738

Baker County, Georgia
Non-Major - Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended April 30, 2016

	E-911	Confiscated Assets Fund	Jail Fund	Totals
Revenues				
Fines	$ -	$ 5,820	8,036	$ 13,856
Charges for Services	34,595	-	-	34,595
Interest	4	-	4	8
Total Revenues	34,599	5,820	8,040	48,459
Expenditures				
Current				
Public Safety	88,195	4,887	82,519	175,601
Total Expenditures	88,195	4,887	82,519	175,601
Excess (deficiency) of revenues over expenditures	(53,596)	933	(74,479)	(127,142)
Other Financing Sources				
Transfers in	53,708	-	76,292	130,000
Total other financing sources	53,708	-	76,292	130,000
Net Change in Fund Balance	112	933	1,813	2,858
Fund Balance-beginning of period	5,598	2,095	(5,802)	1,891
Fund Balance-end of period	$ 5,710	$ 3,028	$ (3,989)	$ 4,749

Baker County, Georgia
E-911 - Special Revenue Fund
Budgetary Comparison Schedule (Non GAAP)
For the Fiscal Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Charges for Services	$ 35,000	$ 35,000	$ 34,595	$ (405)
Miscellaneous	-	-	4	4
Total Revenues	35,000	35,000	34,599	(401)
Expenditures				
Public Safety	100,000	100,000	88,195	11,805
Total Expenditures	100,000	100,000	88,195	11,805
Excess (Deficiency) of Revenues Over Expenditures	(65,000)	(65,000)	(53,596)	11,404
Other Financing Sources				
Operating Transfers In	65,000	65,000	53,708	(11,292)
Total Other Financing Sources	65,000	65,000	53,708	(11,292)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	112	112
Fund Balance-Beginning of Period	5,598	5,598	5,598	-
Fund Balance-End of Period	$ 5,598	$ 5,598	$ 5,710	$ 112

Baker County, Georgia
Confiscated Assets Funds
Budgetary Comparison Schedule (Non GAAP)
For the Fiscal Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fines and Forfeitures				
Seizures	$ 5,800	$ 5,800	$ 5,820	$ 20
Total Revenues	5,800	5,800	5,820	20
Expenditures				
Public Safety	5,800	5,800	4,887	913
Total Expenditures	5,800	5,800	4,887	913
Excess (Deficiency) of Revenues Over Expenditures	-	-	933	933
Fund Balance-Beginning of Period	2,095	2,095	2,095	-
Fund Balance-End of Period	$ 2,095	$ 2,095	$ 3,028	$ 933

Baker County, Georgia
Jail - Special Revenue Fund
Budgetary Comparison Schedule (Non GAAP)
For the Fiscal Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fines and Forfeitures				
Probate Court	$ 6,000	$ 6,000	5,793	$ (207)
Clerk of Superior Court	1,500	1,500	2,243	743
Magistrate Court	100	100	-	(100)
Interest Income	5	5	4	(1)
Total Revenues	7,605	7,605	8,040	435
Expenditures				
Public Safety	92,605	92,605	82,519	10,086
Total Expenditures	92,605	92,605	82,519	10,086
Excess (Deficiency) of Revenues Over Expenditures	(85,000)	(85,000)	(74,479)	10,521
Other Financing Sources				
Operating Transfers In (out)	85,000	85,000	76,292	(8,708)
Total Other Financing Sources	85,000	85,000	76,292	(8,708)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	1,813	1,813
Fund Balance-Beginning of Period	(5,801)	(5,801)	(5,801)	-
Fund Balance-End of Period	$ (5,801)	$ (5,801)	$ (3,988)	$ 1,813

Baker County, Georgia
For the Fiscal Year Ended April 30, 2016

FIDUCIARY FUNDS

Baker County, Georgia
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Fiscal Year Ended April 30, 2016

	Balance April 30, 2015	Additions	Deletions	Balance April 30, 2016
PROBATE COURT				
Assets				
Cash	$ 9,476	$ 114,048	$ (111,231)	$ 12,293
Total Assets	$ 9,476	$ 114,048	$ (111,231)	$ 12,293
Liabilities				
Due to others	$ 9,476	$ 114,048	$ (111,231)	$ 12,293
Total Liabilities	$ 9,476	$ 114,048	$ (111,231)	$ 12,293
MAGISTRATE COURT				
Assets				
Cash	$ 1,759	$ 19,399	$ (19,824)	$ 1,334
Total Assets	$ 1,759	$ 19,399	$ (19,824)	$ 1,334
Liabilities				
Due to others	$ 1,759	$ 19,399	$ (19,824)	$ 1,334
Total Liabilities	$ 1,759	$ 19,399	$ (19,824)	$ 1,334
TAX COMMISSIONER				
Assets				
Cash	$ 6,954	$ 3,762,074	$ (3,767,288)	$ 1,740
Receivables	74,063	3,436,430	(2,881,852)	628,641
Total Assets	$ 81,017	$ 7,198,504	$ (6,649,140)	$ 630,381
Liabilities				
Due to others	$ 81,017	$ 7,198,504	$ (6,649,140)	$ 630,381
Total Liabilities	$ 81,017	$ 7,198,504	$ (6,649,140)	$ 630,381
CLERK OF SUPERIOR COURT				
Assets				
Cash	$ 18,445	$ 56,886	$ (64,007)	$ 11,324
Total Assets	$ 18,445	$ 56,886	$ (64,007)	$ 11,324
Liabilities				
Due to others	$ 18,445	$ 56,886	$ (64,007)	$ 11,324
Total Liabilities	$ 18,445	$ 56,886	$ (64,007)	$ 11,324
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	$ 36,634	$ 3,952,407	$ (3,962,350)	$ 26,691
Receivables	74,063	3,436,430	(2,881,852)	628,641
Total Assets	$ 110,697	$ 7,388,837	$ (6,844,202)	$ 655,332
Liabilities				
Due to others	$ 110,697	$ 7,388,837	$ (6,844,202)	$ 655,332
Total Liabilities	$ 110,697	$ 7,388,837	$ (6,844,202)	$ 655,332

STATE REPORTING REQUIREMENTS

Baker County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended April 30, 2016

Line No.		O.C.G.A. Reference:		
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):			
	__X___ Special Revenue Fund _____ Enterprise Fund			
2	Monthly 9-1-1 charge billed to each exchange access facility subscriber:	46-5-134(a)(1)	$ -	
3	Total revenue from exchange access facility subscribers:			$ 6,246
4	Does 9-1-1 system provide automatic number identification of a wireless telecommunications connection? (choose one)			
	__X___ Yes _____ No			
5	If the answer to Line 4 is "yes", indicate below which of the following apply (choose one)			
	_____ System provides location of base station or cell site	46-5-134(a)(2)(A)		
	__X___ System provides automatic location identification	46-5-134(a)(2)(B)		
6	If the answer to Line 4 is "yes", identify the monthly 9-1-1 charge billed to each wireless telecommunications connection subscriber:	46-5-134(a)(2)	$ -	
7	Total revenue from wireless telecommunications connection subscribers:			$ 28,349
8	Total Line 3 plus Line 7 (should equal UCOA Revenue Source 34.2500)			$ 34,595
9	Additional revenue sources:			
9a	Federal (UCOA Revenue Source 33.1000) Identify each funding agency individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ -
	_____			$ -
9b	State (UCOA Revenue Source 33.4000) Identify each funding agency individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ -
	_____			$ -
9c	Local (UCOA Revenue Source 33.6000) Identify each unit of local government individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ -
	_____			$ -
9d	Private (UCOA Revenue Source 37.1000) Identify each private source individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ -
	_____			$ -

Baker County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended April 30, 2016

10	Investment Income (UCOA Revenue Source 36.1000 through 36.3000)		$ 4
11	Other revenue sources not included above. Identify each source individually. Transfers from other funds of the local government should be reported on Line 25 and not included here.		
	_____		$ -
	_____		$ -
	_____		$ -
	_____		$ -
	_____		$ -
	_____		$ -
	_____		$ -
	_____		$ -
12	Total Revenues (total of all amounts reported on Lines 8 through 11)		$ 34,599
	Expenditures (UCOA Activity 3800)		
13	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	_____		$ -
	_____		$ -
	_____		$ -
14	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
14a	Lease costs	46-5-134(f)(1)	$ -
14b	Purchase costs	46-5-134(f)(1)	$ -
14c	Maintenance costs	46-5-134(f)(1)	$ -
15	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(2)	$ -
16	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system: Number of employees classified as: Full time _____ Part time _____		
16a	Salaries and wages	46-5-134(f)(3)	$ -
16b	Employee benefits	46-5-134(f)(3)	$ -
17	Cost of training of employees who work as dispatchers	46-5-134(f)(3)	$ -
18	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(4)	$ -
19a	Building used as a public safety answering point:		

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For the Fiscal Year Ended April 30, 2016

19a1	Lease costs	46-5-134(f)(5)	$ -
19a2	Purchase costs	46-5-134(f)(5)	$ -
19b	Has the local government completed its street addressing plan? (choose one)	46-5-134(f)(5)	$ -
	__X___ Yes _____ No		
20	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems:		
20a	Lease costs	46-5-134(f)(6)	$ -
20b	Purchase costs	46-5-134(f)(6)	$ -
20c	Maintenance costs	46-5-134(f)(6)	$ -
21	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(7)	$ -
22	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
22a	Lease costs	46-5-134(f)(8)	$ -
22b	Purchase costs	46-5-134(f)(8)	$ -
22c	Maintenance costs	46-5-134(f)(8)	$ -
23	Other expenditures not included in Lines 13 through 22 above. Identify by object and purpose. Transfers to other funds of the local government should be reported on Line 26 and not included here.		
	Reimbursement to Miller County, Georgia for operating costs incurred for joint 911 system.		$ 88,195
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -
24	Total Expenditures (total of all amounts reported on Lines 13 through 23 above)		$ 88,195
25	Transfers From Other Funds (identify by fund)		
	Transfer from General Fund		$ 53,708
			$ -
26	Transfers To Other Funds (identify by fund)		
			-
			$ -

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Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended April 30, 2016

27	Proceeds from Capital Lease (identify by asset class and, if equipment, purpose)	
	_____	$ -
	_____	$ -
28	Net Change in Fund Balance (Line 12 - Line 24 + Line 25 - Line 26 + Line 27)	$ 112
29	Fund Balance - Beginning of Year	$ 5,598
30	Fund Balance - End of Year	$ 5,710

31a Do amounts on Lines 12, 24, 28, 29, and 30 agree to amounts reported in the government's audited financial statements submitted to the Georgia Department of Audits and Accounts?

__X__ Yes _____ No

31b If the answer to Line 31a is "no", provide explanation (including amounts) to reconcile each line item specified in Line 31a above to government's audited financial statements. Reconciliation should be attached to this report.

Certification of Local Government Officials

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official: Connie L. Hobbs Date: 10/20/16

Print Name of Chief Elected Official: Connie Hobbs

Title of Chief Elected Official: Chairperson

Signature of Chief Financial Officer: Penny Eure Date: 10/20/16

Print Name of Chief Financial Officer: Penny Eure

Baker County, Georgia
Schedule of Special Purpose
Local Option Sales Tax - 2010-2014
For the Fiscal Year Ended April 30, 2016

Project	Original Estimated Cost	Expenditure			Estimated Percentage of Completion
		Prior Year	Current Year	Total	
SPLOST 2010-2014					
Roads, Streets & Bridges	$ 1,186,672	$ 1,269,110	$ 15,956	$ 1,285,066	108.29%
Retiring certain general obligation debt of the City of Newton associated with the water system and acquiring certain public safety capital equipment for the City of Newton, GA.	313,328	216,489	10,453	226,942	72.43%
Total	$ 1,500,000	$ 1,485,599	$ 26,409	$ 1,512,008	100.80%

Reconciliation of the SPLOST Schedule above to expenditures reported in the the SPLOST Capital Projects Fund on Page 7

Expenditures from SPLOST schedule (above)	$ 26,409
SPLOST 2015-2021 Expenditures	56,017
Non-SPLOST Tax Expenditures	
Principal paid on capital leases	47,703
Other proceeds expended in SPLOST Capital Projects fund	47,703
Total expenditures per SPLOST Capital Projects Fund on Page 7	$ 130,129

Baker County, Georgia
Schedule of Special Purpose
Local Option Sales Tax - 2015-2021
For the Fiscal Year Ended April 30, 2016

Project	Original Estimated Cost	Expenditure			Estimated Percentage of Completion
		Prior Year	Current Year	Total	
SPLOST 2015-2021					
Courthouse Improvements	$ 150,000	$ 5,275	$ 56,017	$ 61,292	40.86%
Total	$ 150,000	$ 5,275	$ 56,017	$ 61,292	40.86%

GOVERNMENTAL AUDITING STANDARDS REQUIREMENTS

Perry L. Henry, LLC

Certified Public Accountant and Consultant

Perry L. Henry, CPA, CGFM, CFS

Members

American Institue of Certified Pubilic Accountants

Georgia Society of Certified Public Accountants

726 East Shotwell Street, P.O. Box 1422 Bainbridge, GA 39818 * Phone 229-246-0550 * Fax 229-246-7908

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

Honorable Chairperson and Members of
the County Commission
Baker County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Baker County, Georgia as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise Baker County's basic financial statements, and have issued our report dated thereon October 20, 2016. Our report includes a reference to other auditors who audited the financial statements of the Baker County Health Department, as described in our report on Baker County's financial statements. This report includes our consideration of the results of the other auditor's testing on internal control over financial reporting and compliance and other matters that are reported on separately by those auditors. However, this report, insofar as it related to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial

statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we and the other auditors did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We and the other auditors did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item *2011-1* that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Baker County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards.*

Baker County's Response to Findings

Baker County, Georgia's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. Baker County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Perry L. Henry, LLC

Perry L. Henry, LLC
Bainbridge, Georgia
October 20, 2016

2011-1

Condition:

The County (Board of Commissioners and/or Elected Constitutional Officers) does not have adequate separation of duties in various functions of the County.

Criteria:

Internal control is a process designed to provide reasonable assurance about your objectives with regard to reliability of:

(1) financial reporting,
(2) effectiveness and efficiency of operations and
(3) compliance with applicable laws and regulations.

Cause:

There is an insufficient number of staff to properly segregate functions of all transaction cycles.

Effect:

The County (Board of Commissioners and/or Elected Constitutional Officers) will be exposed to increased risk that the financial statements will be materially misstated, whether by error or intentionally, and not be detected in a timely manner.

Recommendation:

The County (Board of Commissioners and/or Elected Constitutional Officers) should monitor the control environment and continue to strengthen controls where cost effective.

Management's Response:

Management (Board of Commissioners and/or Elected Constitutional Officers) agrees. A corrective action plan will be issued under a separate cover.