Grady County, Georgia

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2013



Grady County, Georgia
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December 31, 2013

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Grady County, Georgia
Principal Officials
December 31, 2013

ELECTED

Billy Poitevint, Chairman

T.D. David, Vice Chairman

LaFaye Copeland, County Commissioner

Elwyn Childs, County Commissioner

Charlie Norton, County Commissioner

Staff

Carlos Tobar, County Administrator

Carrie K. Kines, County Clerk

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CPAs and Advisors

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Tifton, GA 31794
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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
of Grady County, Georgia
Cairo, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Grady County, Georgia, as of and for the year ended December 31, 2013, 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 preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, 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 Grady County, Georgia, as of December 31, 2013, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the budgetary comparison 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 an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grady County, Georgia's financial statements. The combining and individual nonmajor fund financial statements, schedule of Special Purpose Local Option Sales Tax Expenditures and State of Georgia Grant Certification Forms, and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, schedule of Special Purpose Local Option Sales Tax Expenditures and State of Georgia Grant Certification Forms are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE XX, 2014, on our consideration of Grady County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grady County, Georgia's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

November 24, 2014
Tifton, Georgia

As management of Grady County, Georgia, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2013. We encourage readers to read the information presented here in conjunction with the County's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The County has $68.19 million in total assets of which $44.46 million are capital assets.
- The County has $18.56 million in total liabilities of which $16.43 are long term.
- The assets of the County exceeded its liabilities as of December 31, 2013 by $49.62 million.
- The County's total net position increased by $1.11 million.
- As of December 31, 2013, the County's governmental funds reported combined ending fund balances of $20.82 million, a decrease of $3.35 million in comparison to the prior year. Approximately 50% of the combined fund balances, $10.39 million is considered unassigned and is available for spending at the County's discretion.
- As of December 31, 2013, unassigned fund balance of the general fund was $10.39 million, a decrease of $201 thousand in comparison to the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and *other supplementary information* that presents combining statements for nonmajor governmental funds. The County's basic financial statements consist of the following elements:

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the County's overall financial condition. Changes in the County's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the County's net position changed during the year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the County, reporting the County's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental, proprietary, and fiduciary funds. Financial statements for the County's component units are also presented.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Table 1 below summarizes the major features of the basic financial statements.

Table 1
Major Features of the Basic Financial Statements

		Fund Financial Statements	
	Government-wide Statements	**Governmental Funds**	**Fiduciary Funds**
Scope	Entire County government (except fiduciary funds) and the County's component units	Activities of the County that are not proprietary or fiduciary	Instances where the County is the trustee or agent for someone else's resources
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Assets and Liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position

Table 2 below presents the County's condensed statement of net assets as of December 31, 2013 and 2012.

Table 2
Condensed Statement of Net Position

	Total Primary Government	
	2013	2012
Assets		
Current and other assets	$ 23,732,392	$ 27,345,922
Capital assets	44,456,706	41,884,780
Total assets	68,189,098	69,230,702
Liabilities		
Other liabilities	2,127,274	3,262,882
Long-term liabilities	16,430,920	17,461,035
Total liabilities	18,558,194	20,723,917
Net Position		
Investment in capital assets	28,034,878	24,967,582
Restricted	14,941,680	13,587,885
Unrestricted	6,639,631	9,951,318
Total net position	$ 49,616,189	$ 48,506,785

The largest component of the County's net position is its' investment in capital assets (i.e. land, buildings, equipment, infrastructure and other), less any related debt outstanding that was needed to acquire or construct the assets. The County uses these capital assets to provide services to the citizens and businesses in the County; consequently, these assets are not available for future spending. Restricted assets represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The remaining portion of net position is unrestricted, which can be used to finance government operations.

Condensed Statement of Activities

Table 3 below presents the County's condensed statement of activities for the years ended December 31, 2013 and 2012. Over time, increases or decreases in net position measure whether the County's financial position is improving or deteriorating.

Table 3
Condensed Statement of Activities

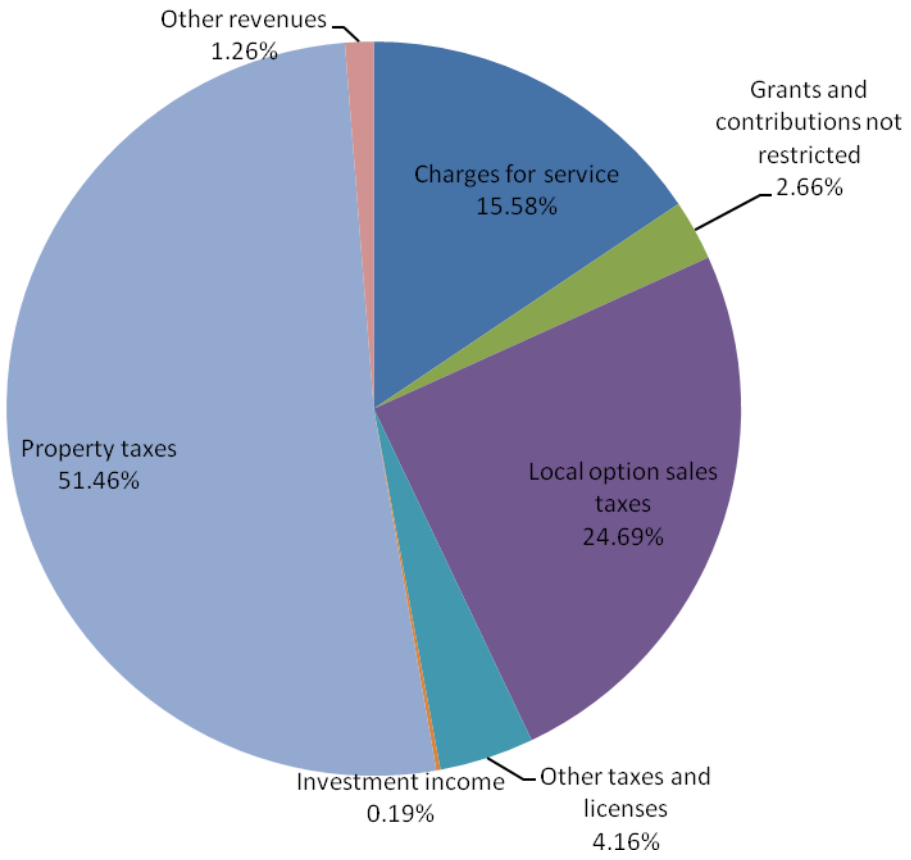
	Total Primary Government	
	2013	2012
Revenues		
Program revenues:		
Charges for services	$ 2,594,864	$ 2,477,211
Operating grants and contributions	249,669	
Capital grants and contributions	194,119	188,041
General revenues:		
Property taxes	8,571,789	6,232,265
Local option sales taxes	4,111,932	4,258,878
Other taxes and licenses	693,517	792,811
Grants and contributions not restricted to specific Programs	- -	- -
Investment income	31,017	73,031
Gain (loss) on sale of capital assets		8,510
Other revenues	210,075	90,897
Total revenues	16,656,982	14,121,644
Expenses		
General government	5,357,496	2,835,723
Public safety	4,485,995	5,793,003
Court system	877,824	920,947
Public works	3,373,153	4,267,559
Public health and welfare	183,198	204,907
Public Education	11,637	28,813
Recreation	398,093	698,016
Library	100,000	108,139
Economic development	75,541	73,022
Interest - long-term debt	684,641	828,927
Total expenses	15,547,578	15,759,056
Increase (decrease) in net assets before transfers	1,109,404	(1,637,412)
Transfers	- -	- -
Change in net position	$ 1,109,404	$ (1,637,412)

During the year ended December 31, 2013, the net position of the County increased $1.11 million. Total revenues for 2013 increased $2.54 million compared with 2012 due primarily to an increase in property tax collections. Depreciation expense of $2.51 million was allocated to the various functions of governmental activities.

Program Expenses and Revenues for Governmental Activities

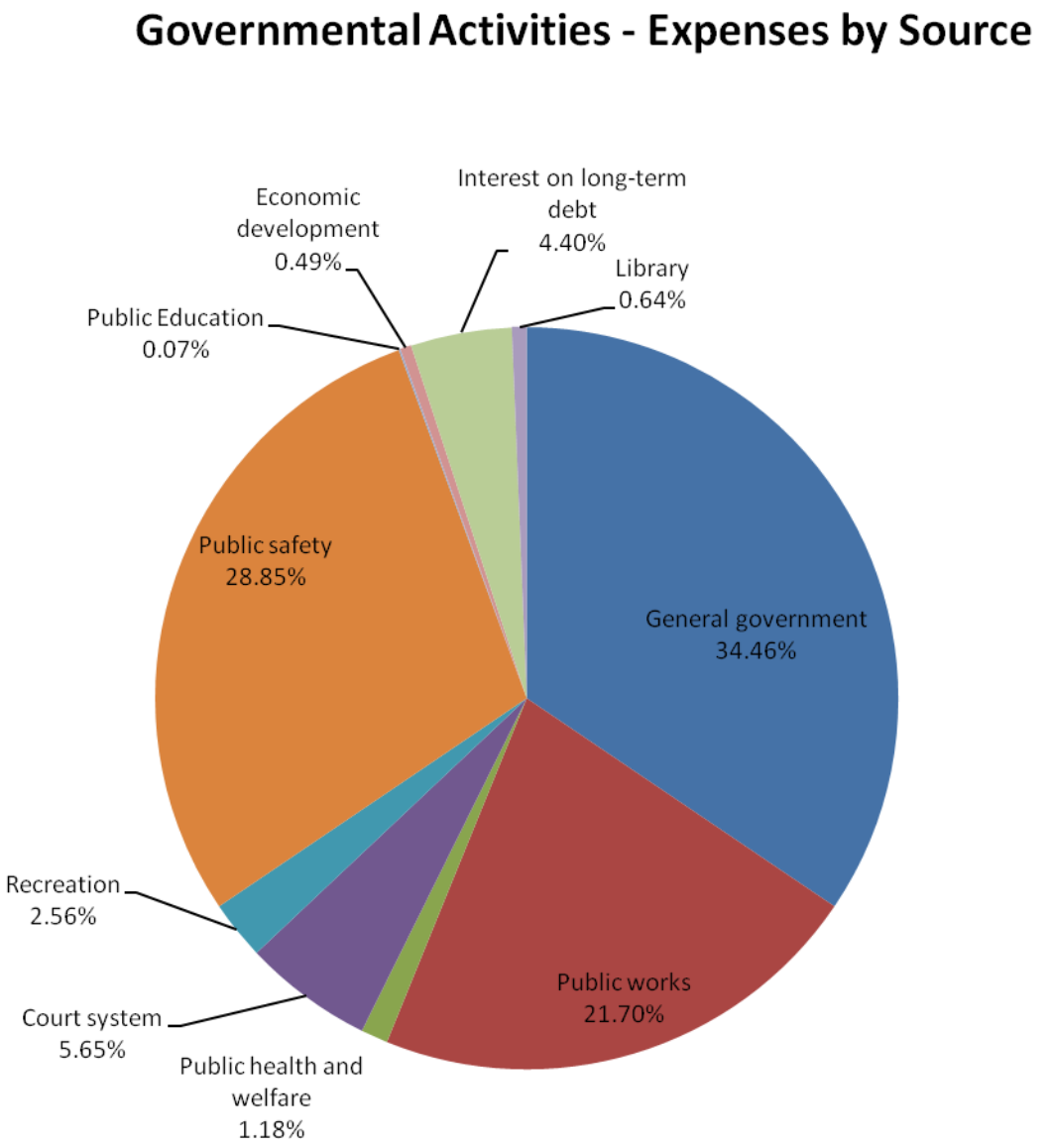
Governmental Activities - Revenues by Source

The following chart shows the governmental activities revenues by major source. Approximately 15.58% of the County's revenues were derived from charges for services and approximately 24.69% came from local options sales taxes. The largest portion of the County's revenue, 51.46%, came from property taxes.



Governmental Activities – Expenses by Source

The following chart shows the governmental activities expenses by source. The County spent the greatest amount of its available funding on public safety at 28.85%. The next largest funding was for public works at 21.7% and general government at 34.46%.



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

As of December 31, 2013, the County's governmental funds reported a combined ending fund balance of $20.82 million with $10.39 million reported as unassigned fund balance and the remaining amount of $10.43 million restricted for specific purposes.

The general fund is the operating fund of the County. As of December 31, 2013, unassigned and total fund balance of the general fund was $10.39 million. The net change in the general fund's fund balance for the year ended December 31, 2013 was a decrease of $201 thousand or 2.0%. Total revenues for 2013 increased $8524 thousand compared with 2012 due primarily to an increase in property tax collections.

GENERAL FUND BUDGETARY HIGHLIGHTS

Generally, budget amendments fall into one of the following categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Amendments to the original budget for 2013 related to the transfer of budgeted amounts between departments and did not result in additional appropriations.

The actual revenues of the general fund were more than original budgeted amounts by $726 thousand for the year ended December 31, 2013. Total revenues for 2013 increased $852 thousand compared with 2012 due primarily to an increase in property tax collections.

The actual expenditures of the general fund were more than original budgeted amounts by $48 thousand for the year ended December 31, 2013. The major factors contributing to this difference was $34 thousand in public safety expenditures above the budgeted amounts and $9 thousand in public works above the budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2013, the County had capital assets of $44.46 million invested in land, site improvements, construction in progress, buildings and building improvements, equipment, and infrastructure assets. Refer to Note 7 of the Notes to Financial Statements for additional information on capital assets.

Long-term Debt

At December 31, 2013, The County reported long term debt of $16.43 million including general obligation sales tax bonds in the amount of $1million and revenues bonds in amount of $14.9 million. Refer to Note 8 of the Notes to Financial Statements for additional information on long-term debt.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions about this report or requests for additional information may be addressed to:

Grady County Board of Commissioners
250 North Broad Street
Cairo, Georgia 39828
Telephone: (229) 377-1512

Grady County, Georgia
Statement of Net Position
December 31, 2013

	Primary Government		Component Units	
	Governmental Activities	Total	Hospital Authority	Health Department
Assets				
Cash and cash equivalents	$ 18,403,735	$ 18,403,735	$ 79,815	$ 388,113
Investments	-	-	-	-
Accounts receivable, net	535,778	535,778	-	1,100
Taxes receivable, net	1,278,974	1,278,974	-	-
Prepaid items	70,462	70,462	-	-
Due from other governments	465,336	465,336	-	-
Interfund balances	-	-	-	-
Inventories	-	-	-	-
Other assets	-	-	-	-
Restricted assets:				
Cash and cash equivalents	2,714,202	2,714,202	-	-
Sales tax receivable	263,905	263,905	-	-
Capital assets:				
Land	5,546,090	5,546,090	58,592	-
Construction in progress	11,394,905	11,394,905	-	-
Other capital assets, net of accumulated depreciation	27,515,711	27,515,711	853,487	11,543
Total assets	$ 68,189,098	$ 68,189,098	$ 991,894	$ 400,756
Liabilities				
Accounts payable	$ 1,128,421	$ 1,128,421	$ -	$ 2,605
Accrued expenses	451,524	451,524	-	-
Other payables	-	-	-	-
Due to other governments	440,296	440,296	-	23,313
Due to component unit	-	-	-	-
Other liabilities	9,033	9,033	-	-
Short-term debt	98,000	98,000	-	-
Long-term liabilities				
Due within one year	1,000,000	1,000,000	-	-
Due in more than one year	15,323,828	15,323,828	-	-
Compensated absences	107,092	107,092	-	22,653
Total liabilities	$ 18,558,194	$ 18,558,194	$ -	$ 48,571
Deferred Inflows of Resources				
Unavailable revenue	14,715	14,715	-	-
Net Position				
Investment in capital assets	28,034,878	28,034,878	912,078	11,543
Restricted for:				
Capital projects	14,495,113	14,495,113	-	-
Prior year program income	-	-	-	263,818
Public services	446,567	446,567	-	41,557
Unrestricted	6,639,631	6,639,631	79,816	35,267
Total net position	$ 49,616,189	$ 49,616,189	$ 991,894	$ 352,185

Grady County, Georgia
Statement of Activities
For the Year Ended December 31, 2013

	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
Governmental activities:					
General government	5,357,496	1,037,944	249,669	194,119	(3,875,764)
Public safety	4,485,995	888,403	-	-	(3,597,592)
Court system	877,824	600,258	-	-	(277,566)
Public works	3,373,153	-	-	-	(3,373,153)
Public health and welfare	183,198	43,909	-	-	(139,289)
Public education	11,637	-	-	-	(11,637)
Recreation	398,093	24,350	-	-	(373,743)
Library	100,000	-	-	-	(100,000)
Economic development	75,541	-	-	-	(75,541)
Interest on long-term debt	684,641	-	-	-	(684,641)
Total governmental activities	15,547,578	2,594,864	$ 249,669	$ 194,119	$ (12,508,926)
Total primary government	15,547,578	2,594,864	249,669	194,119	(12,508,926)
Component Units:					
Grady County Hospital Authority	78,693	15,050	-	-	(63,643)
Grady County Health Department	869,242	263,144	632,881	-	26,783
Total component units	947,935	278,194	632,881	-	(36,860)

Grady County, Georgia
Statement of Activities
For the Year Ended December 31, 2013

	Primary Government		Component Units	
	Governmental Activities	Total	Hospital Authority	Health Department
Change in net position:				
Net (expense) revenue	$ (12,508,926)	$ (12,508,926)	$ (63,643)	$ 26,783
General revenues:		-		
Taxes:		-		
Property taxes	8,571,789	8,571,789	-	-
Sales taxes	4,111,932	4,111,932	-	-
Business taxes	693,517	693,517	-	-
Other taxes	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-
Investment income	31,017	31,017	233	-
Gain on sale of capital assets	-	-	-	-
Other revenues	210,075	210,075	-	-
Transfers	-	-	-	-
Total general revenues and transfers	13,618,330	13,618,330	233	-
Change in net position	1,109,404	1,109,404	(63,410)	26,783
Net position, beginning of year	48,506,785	48,506,785	1,055,304	325,402
Net position, end of year	49,616,189	49,616,189	991,894	352,185

Grady County, Georgia
Balance Sheet
Governmental Funds
December 31, 2013

	General Fund	Tired Creek Capital Projects Fund	SPLOST 2007 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 9,704,609	$ 7,691,210	$ -	$ 1,007,916	$ 18,403,735
Investments	-	-	-	-	-
Accounts receivable, net	44,969	-	441,963	48,846	535,778
Taxes receivable, net	1,278,974	-	-	-	1,278,974
Notes receivable	-	-	-	-	-
Prepaid items	70,462	-	-	-	70,462
Due from other governments	465,336	-	-	-	465,336
Due from other funds	35	-	-	35,674	35,709
Restricted assets:					
Cash and cash equivalents	-	-	2,714,202	-	2,714,202
Sales tax receivable	263,905	-	-	-	263,905
Total assets	$ 11,828,290	$ 7,691,210	$ 3,156,165	$ 1,092,436	$ 23,768,101
Liabilites, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 224,945	$ 439,922	$ 336,160	$ 127,394	$ 1,128,421
Accrued expenses	304,869	146,655	-		451,524
Notes payable	98,000				98,000
Due to other governments	-	-	440,296		440,296
Due to other funds	35,674	-	-	35	35,709
Total liabilities	663,488	586,577	776,456	127,429	2,153,950
Deferred Inflows of Resources					
Unavailable revenue	779,131	-	-	14,715	793,846
Fund balances restricted for:					
Public services	-	-	-	282,024	282,024
Debt service	-	-	-	-	-
Specific purposes	-	7,104,633	2,379,709	668,268	10,152,610
Unassigned, reported in:					-
General fund	10,385,671	-	-	-	10,385,671
Special revenue funds	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Total fund balances	10,385,671	7,104,633	2,379,709	950,292	20,820,305
Total liabilities, deferred inflows of resources and fund balances	$ 11,828,290	$ 7,691,210	$ 3,156,165	$ 1,092,436	$ 23,768,101

Grady County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2013

Total governmental fund balances	$ 20,820,305
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	44,456,706
Certain property tax revenues are not available to pay for current-period expenditures and therefore are deferred in the funds.	779,131
Contributions to retirement plan were less than the annual required contribution and, therefore, a net pension liability is included in the statement of net position.	(9,033)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable (net of unamortized premiums)	(16,323,828)
Compensated absences	(107,092)
Net position of governmental activities	$ 49,616,189

Grady County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General Fund	Tired Creek Capital Projects Fund	SPLOST 2007 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 7,437,588	$ -	445,507	$ -	$ 7,883,095
Sales taxes	1,508,468	-	2,525,626	-	4,034,094
Selective sales and use taxes	71,498	-	-	-	71,498
Business taxes	693,517	-	-	-	693,517
Licenses and permits	90,145	659,881	-		750,026
Intergovernmental	194,119	-	-	249,669	443,788
Charges for services	807,462	-	-	386,084	1,193,546
Fines and forfeitures	593,528	-	-	57,764	651,292
Interest income	12,544	18,326	5,823	664	37,357
Other revenues	210,075	-	-	-	210,075
Total revenues	11,618,944	678,207	2,976,956	694,181	15,968,288
Expenditures					
General government	3,766,838	-	25,772	-	3,792,610
Court system	883,537	-	-	7,843	891,380
Public safety	4,131,118	-	-	416,054	4,547,172
Public works	1,541,684	-	1,800	270,086	1,813,570
Health and welfare	183,198	-	-	-	183,198
Public education	-	-	-	11,637	11,637
Recreation	328,700	-	-	-	328,700
Library	100,000	-	-	-	100,000
Economic development	75,541	-	-	-	75,541
Intergovernmental	-	-	1,191,610	-	1,191,610
Capital projects	-	2,991,317	1,114,144	401,585	4,507,046
Debt service, principal	83,167	-	1,000,000	-	1,083,167
Debt service, interest	588,618	146,655	61,871	-	797,144
Total expenditures	11,682,401	3,137,972	3,395,197	1,107,205	19,322,775
Excess (Deficiency) of Revenues Over Expenditures	(63,457)	(2,459,765)	(418,241)	(413,024)	(3,354,487)
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	137,779	137,779
Transfers to other funds	(137,779)	-	-	-	(137,779)
Sale of capital assets	-	-	-	-	-
Capital leases	-	-	-	-	-
Long - term debt issued	-	-	-	-	-
Total other financing sources (uses)	(137,779)	-	-	137,779	-
Net change in fund balances	(201,236)	(2,459,765)	(418,241)	(275,245)	(3,354,487)
Fund balances, beginning of year	10,586,907	9,564,398	2,797,950	1,225,537	24,174,792
Fund balances, end of year	$ 10,385,671	$ 7,104,633	$ 2,379,709	$ 950,292	$ 20,820,305

Grady County, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2013

Net change in fund balances - total governmental funds	$ (3,354,487)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.	
Capital asset purchases capitalized	5,086,315
Depreciation expense	(2,514,389)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued,whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Debt payments made	1,000,000
Amortization of bond premiums	22,802
Tax revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.	
Unavailable revenues - property taxes	688,694
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Interest expense	172,868
Change in pension liability	288
Compensated absences	7,313
Change in net position of governmental activities	$ 1,109,404

Grady County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ 6,512,879	6,512,879	7,437,588	924,709
Sales taxes	1,651,000	1,651,000	1,508,468	(142,532)
Selective sales and use taxes	75,000	75,000	71,498	(3,502)
Business taxes	654,597	654,597	693,517	38,920
Licenses and permits	87,000	87,000	90,145	3,145
Intergovernmental	2,000	2,000	194,119	192,119
Charges for services	989,300	989,300	807,462	(181,838)
Fines and forfeitures	706,000	706,000	593,528	(112,472)
Interest income	50,000	50,000	12,544	(37,456)
Other revenues	165,000	165,000	210,075	45,075
Total revenues	10,892,776	10,892,776	11,618,944	726,168
Expenditures				
General government				
County commissioners	344,077	344,077	324,622	19,455
Registrar	36,440	36,440	46,229	(9,789)
Tax assessor	252,440	252,440	206,330	46,110
Tax commissioner	236,409	236,409	228,099	8,310
Buildings and grounds	366,424	366,424	344,407	22,017
County agent	123,081	123,081	120,907	2,174
Building inspection	171,304	171,304	168,238	3,066
General adminstration	2,707,284	2,707,284	2,328,006	379,278
Total general government	4,237,459	4,237,459	3,766,838	470,621
Court system				
Superior court	205,488	205,488	194,637	10,851
Clerk of superior court	242,540	242,540	240,388	2,152
State court	97,180	97,180	85,378	11,802
District attorney	35,316	35,316	35,316	-
Juvenile court	43,842	43,842	44,287	(445)
Probate court	148,562	148,562	130,672	17,890
Magistrate court	148,283	148,283	152,859	(4,576)
Total court system	921,211	921,211	883,537	37,674
Public safety				
Sheriff	1,123,746	1,123,746	1,170,786	(47,040)
Drug task force	-	-	-	-
Jail	1,319,837	1,319,837	1,368,855	(49,018)
Fire fighting	220,975	220,975	199,013	21,962
Ambulance services	818,803	818,803	822,035	(3,232)
E-911 services	-	-	444,337	(444,337)
Emergency management	13,500	13,500	4,427	9,073
Coroner	22,500	22,500	29,674	(7,174)
Animal control	96,184	96,184	91,991	4,193
Total public safety	3,615,545	3,615,545	4,131,118	(515,573)

Grady County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES				
Public works				
Roads and bridges	959,081	959,081	898,259	60,822
Road contracts	-	-	-	-
Solid waste	458,908	458,908	469,906	(10,998)
Shop	176,128	176,128	173,519	2,609
Total public works	1,594,117	1,594,117	1,541,684	52,433
Public health and welfare				
Health	144,989	144,989	145,014	(25)
Welfare	39,282	39,282	38,184	1,098
Total health and welfare	184,271	184,271	183,198	1,073
Public Education	-	-	-	-
Recreation	383,399	383,399	328,700	54,699
Library	100,000	100,000	100,000	-
Economic development	73,189	73,189	75,541	(2,352)
Capital projects	-	-	-	-
Debt service:				
Principal	50,000	50,000	83,167	(33,167)
Interest	588,620	588,620	588,618	2
Total expenditures	11,747,811	11,747,811	11,682,401	65,410
Excess (deficiency) of revenues over expenditures	(855,035)	(855,035)	(63,457)	791,578
Other Financing Sources (Uses)				
Transfers from other funds	851,535	851,535	-	(851,535)
Transfers to other funds	-	-	(137,779)	(137,779)
Sale of capital assets	1,500	1,500	-	(1,500)
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	853,035	853,035	(137,779)	(990,814)
Net change in fund balances	(2,000)	(2,000)	(201,236)	(199,236)
Fund balances, beginning of year	10,586,907	10,586,907	10,586,907	-
Fund balances, end of year	$ 10,584,907	$ 10,584,907	$ 10,385,671	$ (199,236)

Grady County, Georgia
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2013

	Recreation Fund	Total Agency Funds
ASSETS		
Cash and cash equivalents	$ 14,500	$ 862,474
Property tax receivable		3,155,687
Total assets	$ 14,500	$ 4,018,161
LIABILITIES		
Due to others	$ -	$ 862,474
Due to state	-	-
Uncollected taxes	-	3,155,687
Total liabilities	$ -	$ 4,018,161
Net Position		
Restricted	$ 14,500	$ -

Grady County, Georgia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2013

		Recreation Fund
Additions		
Contributions and donations	$	14,500
Total additions		14,500
Deductions		
Administrative expenses		-
Total deductions		-
Change in net position		14,500
Net position, beginning of year		-
Net position, end of year	$	14,500

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Grady County, Georgia have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

Grady County was created in 1905, under the provisions of an act by the General Assembly of Georgia. The County's governing authority is a five-member Board of Commissioners elected by district. The County provides the following services as authorized by state law: public safety, court systems, public works, public health and welfare, and general administrative services.

The financial reporting entity has been determined by management in accordance with generally accepted accounting principles to be Grady County (the primary government) and its component units. A component unit is a legally separate organization for which the primary government is financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the government for financial reporting purposes, management has considered all component units.

The criteria used to determine financial accountability are the ability of the primary government to appoint a voting majority of the organization's governing body, and effectively impose its will on the organization. Also, if there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government, financial accountability would exist. Based upon the application of these criteria, the following is a brief review of each component unit included in the County's reporting unit as discretely presented component units.

Grady County Health Department

The Grady County Board of Health administers the operations of the Grady County Health Department, which provides public health services to the citizens of Grady County. The Georgia Department of Audits, Local Government Audit Section, has ruled that county boards of health should be considered component units of the county government for financial reporting purposes. The County appoints a majority of the members of the Grady County Board of Health and provides funding annually in an amount sufficient to satisfy the local matching funds as required by the Georgia Department of Human Resources. The entity is reported as a governmental fund type component unit. The Grady County Health Department's year end is June 30, 2013. Separate audited financial statements may be obtained from:

Grady County Health Department
250 North Broad Street
Cairo, Georgia

Grady County Hospital Authority

The County appoints all members of the Board of the Grady County Hospital Authority. The entity is reported as a governmental fund type component unit. Separate financial statements are not issued.

Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Changes in Net Position) report information on all non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is accountable.

The Statement of Activities demonstrates the degree to which 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.

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government – Wide Financial Statements

The County's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type activities for the County. Fiduciary activities of the County are not included in these statements. As of December 31, 2013, the County does not maintain any proprietary funds.

These statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The fiduciary fund financial statements are presented on the accrual basis. Accordingly, all the County's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in assets. Under 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. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services to customers who directly benefit from goods, services, or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function, and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Fund Financial Statements

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue, and charges for services. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. Fines are not susceptible to accrual because, generally, they are not measurable until received in cash. The County considers revenues to be available if they are collected within 60 days after year end.

The County reports the following major governmental funds:

The *General Fund* is the principal fund of the County and is used to account for all of its activities not otherwise accounted for by a specified fund.

The *SPLOST 2007 Capital Projects Fund* is used to account for financial resources for the acquisition or construction of major capital facilities and improvements. These projects are financed through budget appropriations, sales tax proceeds and general obligation sales tax, and capital leases. The County's SPLOST 2007 Capital Projects Fund is used to account for the collection and disbursement of the 1% Special Purpose Local Option Sales Tax (SPLOST).

The *Tired Creek Capital Projects Fund* is used to design, acquire, construct, and equip a 960 acre recreational fishing lake within the County. This project is financed through South Georgia Governmental Services Authority Revenue Bonds.

Additionally the County reports the following fund types:

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

Fiduciary Funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting* and are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The County utilizes the following fiduciary funds:

> Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and the County departments.
>
> Private Purpose Trust Funds are used to account for trust income and expenses that benefit individuals, private organizations, or other governments.

Component Units: All component units are reported using the *economic resources measurement focus basis* and the *accrual basis of accounting*. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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

Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents, and investments with an original maturity of three months or less.

Statutes authorize the County to invest in obligations of the U.S. Treasury, other U.S. Government agencies, the State of Georgia, other counties, municipal corporations and political subdivisions of the State of Georgia, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant in aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables. All amounts due from other governments are considered collectible in full.

Outstanding balances between funds at the end of the fiscal year are referred to as either "Due From Other Funds" or "Due To Other Funds."

All trade and property tax receivables have been reduced to their estimated net realizable value and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased. Inventory in the General Fund consists of other supplies, which are recorded as assets at the time of purchase and as expenditures as the supplies are used. These inventories are valued at cost using the first-in, first-out method.

Prepaid Items

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

Restricted Assets

Proceeds from certain revenues and other resources in the General Fund, Special Revenue Funds, and Capital Projects Funds are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by applicable statutes or agreements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) acquired after December 31, 1979, are reported in the applicable governmental-type activities column in the government-wide financial statements. The County's policy has set the capitalization threshold at $5,000 and an estimated useful life of more than one year for reporting capital assets other than infrastructure assets. The County's capitalization threshold for infrastructure assets is $100,000 and an estimated useful life of more than five years. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.
Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40-60 years
Improvements	20-30 years
Machinery and Equipment	10-15 years
Vehicles	10 years
Office Equipment and Furniture	5 years
Public Domain Infrastructure	20-50 years

Deferred Inflows of Resources

In addition to liabilities, the County 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 periods and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the government funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

It is the policy of the County to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide financial statements.

Long-Term Obligations, Debt Premiums, Discounts and Issuance Costs

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Debt premiums and discounts are netted against debt payable and debt issuance costs are recognized as an outflow of resources in the period incurred. On the government-wide financial statements, unamortized debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

At the government fund reporting level, debt premiums and discounts are reported as other financing sources and used, separately from the face amount of the debt issued. Debt issuance costs are reported as debt service expenditures.

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. GASB Statement 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes which are imposed by a formal action of the County Commission through adoption of a resolution. Only the County Commission may modify or rescind the commitment;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the County to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the County that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Fund, and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. At December 31, 2013, there were no encumbrances outstanding.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Subsequent events were evaluated through DATE XX, 2014, which is the date the financial statements were available to be issued.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

Budget Process

The annual budget document is the financial plan for the operation of the County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the County's financial position. An annual operating budget is prepared for the General Fund and Special Revenue Funds.

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

1) Prior to August 1, the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2) Public notice of budget and tax proposals is provided in conformance with Georgia law.
3) Public hearings are conducted to obtain taxpayer comments.
4) Prior to December 1, the budget is formally adopted.
5) Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The appropriated budgets are prepared by fund, function, and department. Transfers of appropriations between departments require the approval of the County Commissioners. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the department level.

The County does not employ the use of encumbrance accounting in governmental funds and no material purchase orders, contracts, or other commitments existed at the end of the fiscal year which should have been encumbered.

Capital Projects Budget

The construction of certain major capital facilities and improvements, which are accounted for by the County in the Capital Projects Fund, are subject to budgetary control on a project basis. The budgets are approved by the Board of Commissioners and are generally subject to specific provisions of voter referendums, State statutes, and/or grant agreements. Appropriations for a specific project do not lapse until completion of the project.

Excess of Expenditures Over Appropriations in the General Fund

The following General Fund departments incurred actual expenditures in excess of budgeted amounts for the year ended December 31, 2013:

Department	Excess of Expenditures Over Budgeted Amounts
Public safety	$ 515,573
Economic development	2,352
Transfers to other funds	137,779

Excess of Expenditures Over Appropriations in Individual Funds

The following funds incurred actual expenditures in excess of budgeted amounts for the year ended December 31, 2013:

Fund	Excess of Expenditures Over Budgeted Amounts
E-911 Fund	$ 41,454
Law Library Fund	7,843
Multiple Grants Fund	251,861
Drug Abuse & Treatment Fund	1,637

NOTE 3 - DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2013 are summarized as follows:

Primary Government		
Amounts as presented on the entity-wide Statement of Net Position:		
Cash and cash equivalents	$	18,403,735
Restricted cash and cash equivalents		2,714,202
Amounts as presented on the Statement of Fiduciary Assets and Liabilities:		
Cash and cash equivalents		876,974
Total	$	21,994,911
Deposits with financial institutions	$	21,994,911
Component Unit - Hospital Authority		
Cash and cash equivalents	$	79,815
Deposits with financial institutions	$	79,815
Component Unit - Health Department		
Cash and cash equivalents	$	388,113
Deposits with financial institutions	$	388,113

The County does not have a formal investment policy for interest rate, credit, concentration of credit, or custodial credit risks.

Custodial credit risk – deposits. In the case of deposits, this 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 depositor insurance, obligation of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2013 the bank balance was $33,265,291. Of the bank balance, $33,265,291 was covered by federal depository insurance or by collateral held by the County's agent in the County's name.

NOTE 4 – RECEIVABLES AND TAX REVENUE

Property Tax

Property taxes are levied on property values assessed as of January 1. State law requires that property taxes be based on assessed value, which is 40% of market value. The billing, representing the 2013 fiscal year tax levy, was mailed October 20, 2013. The billings are considered past due 60 days after the billing date and penalties and interest are assessed. The applicable property is subject to lien after the billings are 90 days delinquent.

Upon completion of all assessments and tax returns, the information is turned over to the Grady County Tax Commissioner for completion of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval.

The Grady County Tax Commissioner distributes tax notices and collects tax payments. Collections of the county taxes and remittance of them to the appropriate fund or government are accounted for in the Tax Commissioner Agency Fund.

Receivables

Receivables as of December 31, 2013 for the County's individual major funds, nonmajor funds, and fiduciary funds in the aggregate are as follows:

	General Fund	SPLOST 2007 Capital Projects Fund	Nonmajor Governmental Funds	Total
Property tax receivable	$ 1,278,974	$ -	$ -	$ 1,278,974
Sales tax receivable	263,905	-	-	263,905
Accounts receivable	44,969	441,963	48,846	535,778
Gross receivables	1,587,848	441,963	48,846	2,078,657
Less:				
Allowance for uncollectibles	-	-	-	-
Net total receivables	$ 1,587,848	$ 441,963	$ 48,846	$ 2,078,657

NOTE 5 – DUE FROM OTHER GOVERNMENTS

Due from other governments on the General Fund as of December 31, 2012 consisted of $465,336 due from the Grady County Joint Development Authority. The note bears an interest rate of 1%. Principal and interest is due on March 16, 2014.

NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

Generally, outstanding balances between funds include outstanding charges by one fund to another for services or goods and other miscellaneous receivables and payables between funds. The composition of interfund receivables and payables as of December 31, 2013 is as follows:

Fund	Due From	Due To
General Fund	$ 35,674	$ 35
Nonmajor Governmental Funds	35	35,674
	$ 35,709	$ 35,709

Interfund transfers are used to move revenues from the fund that the Statute or budget requires to collect them to the fund that the Statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended December 31, 2013 consisted of the following:

Fund	Transfers - in	Transfers - out
General Fund	$ - -	$ 137,779
Nonmajor Governmental Funds	137,779	- -
	$ 137,779	$ 137,779

NOTE 7 – CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended December 31, 2013:

Primary Government

Governmental activities:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 5,546,090	$ -	$ -	$ -	$ 5,546,090
Construction in progress	7,190,149	4,204,756	-	-	11,394,905
Total capital assets not being depreciated	12,736,239	4,204,756	-	-	16,940,995
Other capital assets:					
Buildings	13,638,042	-	-	-	13,638,042
Machinery and equipment	7,196,094	735,865	-	-	7,931,959
Roads and bridges	93,754,090	145,694	-	-	93,899,784
Total other capital assets at cost	114,588,226	881,559	-	-	115,469,785
Less accumulated depreciation for:					
Buildings	(5,650,148)	(369,706)	-	-	(6,019,854)
Machinery and equipment	(4,436,494)	(534,527)	-	-	(4,971,021)
Roads and bridges	(75,353,043)	(1,610,156)	-	-	(76,963,199)
Total accumulated depreciation	(85,439,685)	(2,514,389)	-	-	(87,954,074)
Other capital assets, net	29,148,541	(1,632,830)	-	-	27,515,711
Governmental activities capital assets, net	$41,884,780	$ 2,571,926	$ -	$ -	$44,456,706

Depreciation Expense was charged to functions as follows:

Governmental Activities	
General Government	$385,722.00
Public safety	458,045
Public works	1,582,279
Public health and welfare	7,967
Recreation	80,376
Total governmental activities depreciation expense	2,514,389

Component Units

Capital asset activity for the Grady County Health Department, a discretely presented component unit, for the year ended December 31, 2013 is as follows:

Board of Health

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated	$ -	$ -	$ -	$ -	$ -
Other capital assets:					
Machinery and equipment	70,473	7,343	-	-	77,816
Total other capital assets at cost	70,473	7,343	-	-	77,816
Less accumulated depreciation for:					
Machinery and equipment	(63,273)	(3,000)	-	-	(66,273)
Total accumulated depreciation	(63,273)	(3,000)	-	-	(66,273)
Other capital assets, net	7,200	4,343	-	-	11,543
Total capital assets, net	$ 7,200	$ 4,343	$ -	$ -	$ 11,543

Capital asset activity for the Grady County Hospital Authority, a discretely presented component unit, for the year ended December 31, 2013 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated	$ 58,592	$ -	$ -	$ -	$ 58,592
Other capital assets:					
Buildings	3,804,468	-	-	-	3,804,468
Total other capital assets at cost	3,804,468	-	-	-	3,804,468
Less accumulated depreciation for:					
Buildings	(2,878,335)	(72,646)	-	-	(2,950,981)
Total accumulated depreciation	(2,878,335)	(72,646)	-	-	(2,950,981)
Other capital assets, net	926,133	(72,646)	-	-	853,487
Total capital assets, net	$ 984,725	$ (72,646)	$ -	$ -	$ 912,079

NOTE 8 – LONG TERM DEBT

General Obligation Sales Tax Bond

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital projects.

On April 15, 2008, the County issued $5,000,000 in General Obligations Sales Tax Bonds, Series 2008 with an interest rate of 2.48%. The proceeds are to be used to finance the costs of acquiring, constructing, and equipping capital outlay projects of the County. The bonds have annual principal installments due on August 1 and semiannual interest installments due on February 1 and August 1. A summary of the terms as of December 31, 2013 is as follows:

Fund and Description	Original Amount	Interest Rate	Maturity Date	Amount
SPLOST 2007 Fund - General Obligation Sales Tax Bond, Series 2008	$ 5,000,000	2.48%	2014	$ 1,000,000
			Less current portion	(1,000,000)
				$ -

The annual debt service requirement to maturity of the bonds at December 31, 2013 is as follows:

Year Ending December 31	Principal	Interest	Total
2014	$ 1,000,000	$ 24,800	$ 1,024,800
2015			-
2016			-
2017			-
2018			-
	$ 1,000,000	$ 24,800	$ 1,024,800

South Georgia Governmental Services Authority Revenue Bonds

On October 26, 2010, the County issued $14,940,000 in South Georgia Governmental Services Authority Revenue Bonds, Series 2010 with a variable interest rate not to exceed 7.50%. The proceeds are to be used to finance the costs of designing, acquiring, constructing, and equipping a 960 acre recreational fishing lake within the County. The bonds have annual principal installments beginning on October 1, 2015 and semiannual interest installments due on April 1 and October 1 beginning April 1, 2011. A summary of the terms as of December 31, 2013 is as follows:

Fund and Description	Original Amount	Interest Rate	Maturity Date	Amount
Tired Creek Fund- South Georgia Governmental Services Authority Revenue Bond, Series 2010	$ 14,940,000	various	2030	$ 14,940,000
			Less current portion	-
				$ 14,940,000

The annual debt service requirement to maturity of the bonds at December 31, 2013 is as follows:

Year Ending December 31	Principal	Interest	Total
2014	$ -	$ 586,618	$ 586,618
2015	700,000	586,618	1,286,618
2016	730,000	565,618	1,295,618
2017	750,000	541,894	1,291,894
2018	775,000	515,644	1,290,644
2019-2023	4,305,000	2,158,994	6,463,994
2024-2028	5,240,000	1,238,670	6,478,670
2029-2030	2,440,000	147,400	2,587,400
	$ 14,940,000	$6,341,456	$ 21,281,456

Changes in Long-Term Liabilities

The following is a summary of the activity in long term-liabilities for the year ended December 31, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue Bonds:					
General obligation bond	2,000,000		(1,000,000)	1,000,000	1,000,000
SGGSA revenue bond	14,940,000		-	14,940,000	-
Plus deferred amounts for issuance premiums	$ 406,630	$ -	$ (22,802)	$ 383,828	$ -
Total bonds payable	17,346,630	-	(1,022,802)	16,323,828	1,000,000
Compensated absenses	114,405	-	(7,313)	107,092	-
Governmental activities long-term liabilities	$ 17,461,035	$ -	$ (1,030,115)	$ 16,430,920	$ 1,000,000

Compensated absences are generally liquidated by the General Fund.

Component Units

The activity in long-term liabilities for the Grady County Heath Department, a discretely presented component unit, for the year ended December 31, 2013 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component Unit					
Health Department					
Governmental Activities					
Compensated absences	$ 40,176	$ -	$ (17,523)	$ 22,653	$ -
Long-term Liabilities	$ 40,176	$ -	$ (17,523)	$ 22,653	$ -

NOTE 9 – RESTRICTIONS OF FUND BALANCES

In the governmental fund financial statements, fund balances consist of restricted and unassigned amounts. Restrictions of fund balances represent that portion which is not appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unassigned.

Fund balance restrictions at December 31, 2013 include:

Special Revenue Funds	
Reserved for public services	$282,024
Capital Projects Funds	
Reserved for specific purposes to reflect Resources funded by Special Purpose Local Option Sales Tax and Federal grants	668,268

NOTE 10 - SPECIAL PURPOSE LOCAL OPTION SALES TAX

The voters of Grady County approved a referendum imposing a special one percent retail sales and use tax for a limited period of time not to exceed six years from the imposition date of March 20, 2007. The referendum will raise $14,000,000 for various capital outlay projects.

The voters of Grady County approved a referendum imposing a special one percent retail sales and use tax for a limited period of time not to exceed six years from the imposition date of April 1, 2014. The referendum will raise $18,000,000 for various capital outlay projects.

NOTE 11 – PENSION PLAN

Primary Government

Plan Description

The County's defined benefit pension plan, the Grady County, Georgia Defined Benefit Plan (GCGDBP), provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met. GCGDBP is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (ACCGDBP), an agent multiple-employer public employee retirement system administered by the Association County Commissioners of Georgia. The Constitution of the State of Georgia enables the governing authority of the County, the Board of Commissioners, to establish and amend the benefit provisions of the plans that participate in ACCGDBP. The Association County Commissioners of Georgia issues a publicly available financial report that includes financial statements and required supplementary information for ACCGDBP. That report may be obtained by writing to the Association County Commissioners of Georgia, Suite 1000, 50 Hurt Plaza, Atlanta, Georgia 30303.

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan, but not beyond age 70. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of .5% of average annual compensation up to $6,600 plus 1.0% of average annual compensation in excess of $6,600 plus $36 for each year of service. For service earned after July 1, 2012, the benefit formula was changed to 1.25% of Average Annual Compensation for each year of service. Compensation is averaged over a five-year period prior to retirement or termination.

Funding Policy

The County is required to contribute at an actuarially determined rate in accordance with Section 47-20 of the Georgia Code, which sets forth the minimum funding standards for state and local government pension plans. Plan participants are required to contribute 3% of pay. The Constitution of the State of Georgia enables the governing authority of the County, the Board of Commissioners, to establish and amend the contribution rates for the County and its plan participants.

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan were determined as follows.

Derivation of Net Pension Obligation:

	2013	2012
Net pension obligation as of beginning of prior year	$ 9,321	$ 9,541
Annual pension cost for prior year	129,308	119,683
Actual contributions to plan for prior year	129,596	119,903
Increase (decrease) in net pension obligation	(288)	(220)
Net pension obligaiton as of beginning of the year	$ 9,033	$ 9,321

Derivation of Annual Pension Cost:

	2013	2012
Annual required contribution	$ 141,912	$ 129,359
Interest on net pension obligation	700	722
Amortization of net pension obligation	(749)	(773)
Annual pension cost	$ 141,863	$ 129,308

Three – Year Trend Information for GCGDBP

Fiscal Year Beginning January 1	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
2013	$ 141,863	N/A	N/A	$ 9,033
2012	129,308	129,596	100%	9,321
2011	119,683	119,903	100%	9,541
2010	155,718	155,770	100%	9,593
2009	136,943	113,778	83%	(13,572)
2008	120,473	109,000	90%	(25,045)

Schedule of Funding Progress for GCGDBP

Fiscal Year Ending December 31	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) Projected Unit Credit (2)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Annual Covered Payroll (5)	UAAL as a Percent of Covered Payroll (4)/(5)
2008	$ 1,593,767	$ 2,022,751	78.8%	$ 428,984	$1,978,095	21.7%
2009	1,775,040	2,227,505	79.7%	452,465	2,065,153	21.9%
2010	1,976,778	2,442,495	80.9%	465,717	2,670,227	17.4%
2011	2,122,738	2,587,542	82.0%	464,804	2,602,588	17.9%
2012	2,309,812	2,830,638	81.6%	520,826	2,609,399	20.0%
2013	2,652,130	3,084,699	86.0%	432,569	2,955,492	14.6%

Actuarial Valuation Information

Current valuation date	January 1, 2013
Annual return on invested plan assets	7.75%
Projected annual salary increases	4.5%-7.0% based on age
Expected annual inflation	3%
Actuarial value of assets	Market value
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay (closed)

Component Units

Grady County Health Department

The employees of the Grady 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, 2013 were $60,447 based on qualifying salaries of $400,963. Ten year historical information may be obtained from the Employee's Retirement System of Georgia

NOTE 12– RISK MANAGEMENT

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

Property and General Liability and Worker's Compensation

The County has joined together with other counties in the state as part of the Interlocal Risk Management Agency (IRMA) for property and liability insurance and the Association County Commissioners of Georgia (ACCG) Group Self – Insurance Worker's Compensation Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The ACCG administers both risk pools.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

Group Medical Benefits

The County provides health insurance for its employees through a commercial insurance provider. During the year ended December 31, 2013, there were no significant reductions in insurance coverage from the prior year and there have been no settlements exceeding insurance coverage in the years ended December 31, 2011, 2012, and 2013.

NOTE 13 – JOINT VENTURES

Southwest Georgia Regional Commission

Under Georgia law, the County is a member of the Southwest Georgia Regional Commission (SWGRC) along with surrounding counties and municipalities and is required to pay dues thereto. The SWGRC is a multi-funded organization receiving funds from federal, state, and local agencies, plus member governments. Its purpose is to further the orderly growth, economic prosperity, and well-being of the people of the Southwest Georgia area. During the year ended December 31, 2013, the County paid dues to the SWGRC of approximately $15,760. Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organization structure of the regional commission in Georgia. The regional commission board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that member governments are liable for any debts or obligations of a regional commission. Separate financial statements may be obtained from:

Southwest Georgia Regional Commission
P.O. Box 346
Camilla, Georgia 31730

E - 911 System

The County entered an agreement with Decatur County, Georgia on April 6, 1993 to implement an emergency 911 system. Each county is responsible for the maintenance and operational costs of the system. Separate financial statements are not issued.

Sanitary Landfill

The County entered an agreement with the City of Cairo, Georgia and the City of Whigham, Georgia on February 10, 1992 to deposit solid waste in the sanitary landfill operated by the City of Cairo. The agreement provides that each party will equitably share in the cost of the operation of the landfill. The agreement also provides that the City of Cairo will establish a sinking fund to meet future capital needs or expenditures that may be required to comply with local, state, or federal laws (i.e., ground water monitoring costs and other post closure costs). Should the City of Cairo incur any unexpected cost or additional requirements associated with post closure in excess of sinking/reserve funds retained, each party will make a contribution toward the additional costs in the percentage that shall equal the percentage of the total waste deposited at the landfill by the parties over the term of this agreement. The City of Whigham and Grady County shall not be required to make contributions toward additional costs that are due solely to the negligent act or intentional wrongful act of the City of Cairo in the administration of the landfill.

Each year, the City of Cairo provides to the City of Whigham and Grady County information regarding operation of the landfill during the previous year. If it is determined that the funds collected do not meet the cost of the operation of the landfill and sinking/reserve fund requirements, each party makes a contribution toward the deficit in a percentage that equals the percentage of the total waste deposited at the landfill by the parties. If it is determined that the funds collected exceed the cost of operation of the landfill, the excess is transferred to the sinking/reserve fund and each party is given credit in an amount based upon the percentage of waste deposited at the landfill by the parties toward any future deficit. Any excess that is accumulated over the term of the agreement is considered to be jointly owned by all parties based on the percentage of waste deposited at the landfill over the term of the agreement and will be disbursed at such time as there are no required costs to monitor the landfill. Separate financial statements are not prepared or issued by the sanitary landfill joint venture.

NOTE 14 – JOINTLY GOVERNED ORGANIZATIONS

Grady County Joint Development Authority

The County entered into an agreement with the City of Whigham, Georgia and the City of Cairo, Georgia to establish a joint development authority. The purpose of the Grady County Joint Development Authority (the Authority) is to facilitate economic development within Grady County by coordinating the efforts of elected officials, the Cairo-Grady County Chamber of Commerce, private organizations and citizens, and state and local organizations toward this end. It is contemplated that the Authority shall be the coordinating agency for organizations and businesses located within Grady County and agencies, organizations, and businesses outside Grady County to foster economic growth and improve the welfare of all citizens of Grady County.

The business of the Authority shall be conducted and managed by its Board of Directors that shall consist of seven (7) members. The members of the Authority shall be selected by Grady County Board of Commissioners (3), the City of Cairo (3), and the City of Whigham (1) for such terms as the appointing agency shall determine.

Multi-County Development Authority

The County via concurrent resolutions of the governing bodies of Brooks, Colquitt, Thomas, Grady and Mitchell Counties created the "Joint Development Authority of Brooks, Colquitt, Grady, Mitchell and Thomas Counties." The development authority is a public body corporate and politic, and an instrumentality of the participating counties. The general purposes of the Authority as set forth in the Development Authorities Law of Georgia are to promote the economic development of the geographical area of its operation and exercise all powers granted by Georgia Law.

The business of the Authority shall be conducted and managed by its Board of Directors that shall consist of fifteen (15) members. The governing body of each participating County appoints three members and such member shall be a resident and taxpayer of such County.

NOTE 15 – RELATED ORGANIZATIONS

The following is a list of related organizations for which Grady County appoints the voting majority of the Board of Directors:

- Grady County Recreation Advisory Board
- Board of Family and Children's Services
- Grady County Planning Commission
- Board of Tax Assessors and Board of Equalization
- Grady County Emergency Advisory Board

These organizations are not financially accountable to Grady County because the County does not impose its will or have a financial benefit or burden relationship with the organization.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Litigation

The County is involved in various legal proceedings and litigation arising in the normal course of operations. In the opinion of management, the outcome of such proceedings will not materially affect the financial position of the County.

Grady County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Special Revenue Funds	SPLOST Capital Projects Fund	SPLOST 2002 Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 323,596	$ 25,341	$ 658,979	$ 1,007,916
Accounts receivable, net	48,846	-	-	48,846
Taxes receivable, net	-	-	-	-
Notes receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	35,674	-	-	35,674
Total assets	$ 408,116	$ 25,341	$ 658,979	$ 1,092,436
Liabilites, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 111,342	$ -	$ 16,052	$ 127,394
Due to other funds	35	-	-	35
Total liabilities	111,377	-	16,052	127,429
Deferred Inflows of Resources				
Unavailable revenue	14,715	-	-	14,715
Fund balances restricted for:				
Public services	282,024	-	-	282,024
Debt service	-	-	-	-
Specific purposes	-	25,341	642,927	668,268
Unassigned	-	-	-	-
Total fund balances	282,024	25,341	642,927	950,292
Total liabilities, deferred inflows of resources and fund balances	$ 408,116	$ 25,341	$ 658,979	$ 1,092,436

See independent auditors' report.

Grady County, Georgia
Combining Statement of Revenues Expenditures and Changes in Fund Balances
Nonmajor Governmental funds
December 31, 2013

	Special Revenue Funds	SPLOST Capital Projects Fund	SPLOST 2002 Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	249,669	-	-	249,669
Charges for services	386,084	-	-	386,084
Fines and forfeitures	57,764	-	-	57,764
Interest income	147	68	449	664
Other revenues	-	-	-	-
Total revenues	693,664	68	449	694,181
Expenditures				
Court system	7,843	-	-	7,843
Public safety	416,054	-	-	416,054
Roads and bridges	90,794	-	179,292	270,086
Health and welfare	-	-	-	-
Public education	11,637	-	-	11,637
Housing and development	-	-	-	-
Capital outlay	164,543	9,986	227,056	401,585
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	690,871	9,986	406,348	1,107,205
Excess (Deficiency) of Revenues Over Expenditures	2,793	(9,918)	(405,899)	(413,024)
Other Financing Sources (Uses)				
Transfers from other funds	137,779	-	-	137,779
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	137,779	-	-	137,779
Net change in fund balances	140,572	(9,918)	(405,899)	(275,245)
Fund Balances, beginning of year	141,452	35,259	1,048,826	1,225,537
Fund Balances, end of year	$ 282,024	$ 25,341	$ 642,927	$ 950,292

See independent auditors' report.

Grady County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Special Revenue Funds			
	E-911 Fund	Law Library Fund	Confiscated Assets Fund	Multiple Grants Fund
Assets				
Cash and cash equivalents	$ 33,466	$ 18,246	$ 93,309	$ 80,863
Accounts receivable, net	48,846	-	-	-
Taxes receivable, net	-	-	-	-
Notes receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	35,674	-	-	-
Total assets	$ 117,986	$ 18,246	$ 93,309	$ 80,863
Liabilites, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 63,644	$ 632	$ -	$ 47,066
Due to other funds	-	-	-	-
Total liabilities	63,644	632	-	47,066
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	13,335
Fund balances restricted for:				
Public services	54,342	17,614	93,309	20,462
Debt service	-	-	-	-
Specific purposes	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	54,342	17,614	93,309	20,462
Total liabilities, deferred inflows of resources and fund balances	$ 117,986	$ 18,246	$ 93,309	$ 80,863

See independent auditors' report.

Grady County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Special Revenue Funds			
	Grant Fund	Wolf Creek Fund	Drug Abuse and Treatment Fund	Total
Assets				
Cash and cash equivalents	$ 817	$ 1,788	$ 95,107	$ 323,596
Accounts receivable, net	-	-	-	48,846
Taxes receivable, net	-	-	-	-
Notes receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	35,674
Total assets	$ 817	$ 1,788	$ 95,107	408,116
Liabilites, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ -	$ -		$ 111,342
Due to other funds	-	-	35	35
Total liabilities	-	-	35	111,377
Deferred Inflows of Resources				
Unavailable revenue	-	1,380	-	14,715
Fund balances restricted for:				
Public services	817	408	95,072	282,024
Debt service	-	-	-	-
Specific purposes	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	817	408	95,072	282,024
Total liabilities, deferred inflows of resources and fund balances	$ 817	$ 1,788	$ 95,107	$ 408,116

See independent auditors' report.

Grady County, Georgia
Combining Statement of Revenues Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
December 31, 2013

	Special Revenue Funds			
	E-911 Fund	Law Library Fund	Confiscated Assets Fund	Multiple Grants Fund
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	-	-	249,669
Charges for services	342,175	-	-	-
Fines and forfeitures	-	6,730	51,034	-
Interest income	92	28	-	-
Other revenues	-	-	-	-
Total revenues	342,267	6,758	51,034	249,669
Expenditures				
Court system	-	7,843	-	-
Public safety	416,054	-	-	-
Roads and bridges	-	-	-	90,794
Health and welfare	-	-	-	-
Public education				
Housing and development	-	-	-	-
Capital outlay	-	-	3,476	161,067
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	416,054	7,843	3,476	251,861
Excess (Deficiency) of Revenues Over Expenditures	(73,787)	(1,085)	47,558	(2,192)
Other Financing Sources (Uses)				
Transfers from other funds	75,000	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	75,000	-	-	-
Net change in fund balances	1,213	(1,085)	47,558	(2,192)
Fund Balances, beginning of year	53,129	18,699	45,751	22,654
Fund Balances, end of year	$ 54,342	$ 17,614	$ 93,309	$ 20,462

See independent auditors' report.

Grady County, Georgia
Combining Statement of Revenues Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
December 31, 2013

	Special Revenue Funds			
	Grant Fund	Wolf Creek Fund	Drug Abuse and Treatment Fund	Total
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	-	-	249,669
Charges for services	-	-	43,909	386,084
Fines and forfeitures	-	-	-	57,764
Interest income	2	4	21	147
Other revenues	-	-	-	-
Total revenues	2	4	43,930	693,664
Expenditures				
Court system	-	-	-	7,843
Public safety	-	-	-	416,054
Roads and bridges	-	-	-	90,794
Health and welfare	-	-	-	-
Public education			11,637	11,637
Housing and development	-	-	-	-
Capital outlay	-	-	-	164,543
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	-	-	11,637	690,871
Excess (Deficiency) of Revenues Over Expenditures	2	4	32,293	2,793
Other Financing Sources (Uses)				
Transfers from other funds	-	-	62,779	137,779
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	62,779	137,779
Net change in fund balances	2	4	95,072	140,572
Fund Balances, beginning of year	815	404	-	141,452
Fund Balances, end of year	$ 817	$ 408	$ 95,072	$ 282,024

See independent auditors' report.

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – E-911 Fund
December 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	347,000	347,000	342,175	(4,825)
Fines and forfeitures	-	-	-	-
Interest income	300	300	92	(208)
Other revenues	-	-	-	-
Total revenues	347,300	347,300	342,267	(5,033)
Expenditures				
Court system	-	-	-	-
Public safety	374,600	374,600	416,054	(41,454)
Roads and bridges				
Health and welfare	-	-	-	-
Public education				
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	374,600	374,600	416,054	(41,454)
Excess (Deficiency) of Revenues Over Expenditures	(27,300)	(27,300)	(73,787)	(46,487)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	75,000	(75,000)
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	75,000	(75,000)
Net change in fund balances	(27,300)	(27,300)	1,213	(121,487)
Fund Balances, beginning of year	53,129	53,129	53,129	-
Fund Balances, end of year	$ 25,829	$ 25,829	$ 54,342	$ (121,487)

See independent auditors' report.

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Law Library Fund
December 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and fees	8,100	8,100	6,730	(1,370)
Interest income	100	100	28	(72)
Other revenues	-	-	-	-
Total revenues	8,200	8,200	6,758	(1,442)
Expenditures				
Court system	-	-	7,843	(7,843)
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Health and welfare	-	-	-	-
Public education				
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	-	-	7,843	(7,843)
Excess (Deficiency) of Revenues Over Expenditures	8,200	8,200	(1,085)	(9,285)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	8,200	8,200	(1,085)	(9,285)
Fund Balances, beginning of year	18,699	18,699	18,699	-
Fund Balances, end of year	$ 26,899	$ 26,899	$ 17,614	$ (9,285)

See independent auditors' report.

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Confiscated Assets Fund
December 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	3,400	3,400	51,034	47,634
Interest income	-	-	-	-
Other revenues	-	-	-	-
Total revenues	3,400	3,400	51,034	47,634
Expenditures				
Court system	-	-	-	-
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Health and welfare	-	-	-	-
Public education				
Housing and development	-	-	-	-
Capital outlay	3,476	3,476	3,476	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	3,476	3,476	3,476	-
Excess (Deficiency) of Revenues Over Expenditures	(76)	(76)	47,558	47,634
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(76)	(76)	47,558	47,634
Fund Balances, beginning of year	45,751	45,751	45,751	-
Fund Balances, end of year	$ 45,675	$ 45,675	$ 93,309	$ 47,634

See independent auditors' report.

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Multiple Grants Fund
December 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	500	500	249,669	249,169
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Other revenues	-	-	-	-
Total revenues	500	500	249,669	249,169
Expenditures				
Court system	-	-	-	-
Public safety	-	-	-	-
Roads and bridges	-	-	90,794	(90,794)
Health and welfare	-	-	-	-
Public education				
Housing and development	-	-	-	-
Capital outlay	-	-	161,067	(161,067)
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	-	-	251,861	(251,861)
Excess (Deficiency) of Revenues Over Expenditures	500	500	(2,192)	(2,692)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	500	500	(2,192)	(2,692)
Fund Balances, beginning of year	22,654	22,654	22,654	-
Fund Balances, end of year	$ 23,154	$ 23,154	$ 20,462	$ (2,692)

See independent auditors' report.

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Grant Fund
December 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	-	-	-	-
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	2	2
Other revenues	-	-	-	-
Total revenues	-	-	2	2
Expenditures				
Court system	-	-	-	-
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Health and welfare	-	-	-	-
Public education				
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	2	2
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	2	2
Fund Balances, beginning of year	815	815	815	-
Fund Balances, end of year	$ 815	$ 815	$ 817	$ 2

See independent auditors' report.

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Wolf Creek Fund
December 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	-	-	-	-
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	4	4
Other revenues	-	-	-	-
Total revenues	-	-	4	4
Expenditures				
Court system	-	-	-	-
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Health and welfare	-	-	-	-
Public education				
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	4	4
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	4	4
Fund Balances, beginning of year	404	404	404	-
Fund Balances, end of year	$ 404	$ 404	$ 408	$ 4

See independent auditors' report.

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Drug Abuse and Treatment Fund
December 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	-	-	-	-
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	12,000	12,000	43,909	31,909
Fines and forfeitures	-	-	-	-
Interest income	-	-	21	21
Other revenues	-	-	-	-
Total revenues	12,000	12,000	43,930	31,930
Expenditures				
Court system	-	-	-	-
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Health and welfare	-	-	-	-
Public education	10,000	10,000	11,637	(1,637)
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	10,000	10,000	11,637	(1,637)
Excess (Deficiency) of Revenues Over Expenditures	2,000	2,000	32,293	30,293
Other Financing Sources (Uses)				
Transfers from other funds	-	-	62,779	(62,779)
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	62,779	(62,779)
Net change in fund balances	2,000	2,000	95,072	(32,486)
Fund Balances, beginning of year	-	-	-	-
Fund Balances, end of year	$ 2,000	$ 2,000	$ 95,072	$ (32,486)

See independent auditors' report.

Grady County, Georgia
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2013

	Clerk of Superior Court	Probate Court	Tax Commissioner
ASSETS			
Restricted assets:			
Cash and cash equivalents	$ 61,714	$ 7,377	$ 748,593
Property tax receivable	-	-	3,155,687
Total assets	$ 61,714	$ 7,377	$ 3,904,280
LIABILITIES			
Due to others	$ 61,714	$ 7,377	748,593
Due to other governments	-	-	-
Uncollected taxes	-	-	3,155,687
Total liabilities	$ 61,714	$ 7,377	$ 3,904,280

See independent auditors' report.

Grady County, Georgia
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2013

	Magistrate Court	Sheriff's Department	Total Agency Funds
ASSETS			
Restricted assets:			
Cash and cash equivalents	$ 30,058	$ 14,732	$ 862,474
Property tax receivable	-	-	3,155,687
Total assets	$ 30,058	$ 14,732	$ 4,018,161
LIABILITIES			
Due to others	$ 30,058	$ 14,732	$ 862,474
Due to state	-	-	-
Uncollected taxes	-	-	3,155,687
Total liabilities	$ 30,058	$ 14,732	$ 4,018,161

See independent auditors' report.

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

To the Board of Commissioners
of Grady County, Georgia
Cairo, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grady County, Georgia, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Grady County, Georgia's basic financial statements and have issued our report theron dated DATE XX, 2014

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grady 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 Grady County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Grady County, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of financial statement findings and responses we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of financial statement findings and responses to be material weaknesses. [2013-1, 2013-2, and 2013-3.].

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.

Compliance and Other Matters

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

Grady County, Georgia's Response to Findings

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

Carr, Riggs & Ingram, L.L.C.

November 24, 2014
Tifton, Georgia

FINANCIAL STATEMENT FINDINGS

Findings noted on the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.

2013 - 1

Criteria:

Duties should be segregated between employees so that the responsibility for authorizing transactions, recording transactions,and maintaining custody of assets are assigned to different personnel.

Condition:

Grady County, Georgia is a small local government and has a limited amount of resources and employees. Therefore, the County does not have an adequate number of employees to provide for the proper segregation of duties.

Cause of Condition:

Since the County is a small local government, it is not financially feasible for the County to hire additional employees to provide for an adequate segregation of duties.

Effect of Condition:

The County's internal control structure does not contain adequate safeguarding controls provided by segregation of duties that would provide for the prevention or timely detection of unauthorized transactions and unauthorized access to assets that could result in losses that are material to the financial statements.

Response of Management:

Management concurs with the finding and is continually working to improve controls to mitigate the risks associated with this condition.

See independent auditors' report.

2013-2

Criteria:

Generally accepted accounting principles require Governmental Fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Condition:

The County's year end closing policies and procedures did not prevent misstatements in the funds.

Cause of Condition:

Additional year end closing entries were required for reporting in accordance with generally accepted accounting principles.

Effect of Condition:

Audit adjustments were required for reporting in accordance with generally accepted accounting principles.

Response of Management:

Management concurs with the finding and is developing additional policies and procedures and monitoring activities over financial reporting.

2013-3

Criteria:

Policies, procedures, and monitoring controls for the Grady County Hospital Authority should be in place to provide for the reconciliation and recording of cash and capital asset transactions.

Condition:

The Grady County Hospital Authority's policies and procedures for recording and monitoring cash and capital assets did not prevent a misstatement.

Cause of Condition:

The Grady County Hospital Authority's monitoring controls were not implemented.

Effect of Condition:

Cash and capital assets were misstated.

Response of Management:

Management concurs with this finding and is developing additional policies and procedures and monitoring activities over cash and capital assets.

See independent auditors' report.

Grady County, Georgia
Schedule of Special Purpose Local Option Sales Tax Expenditures
December 31, 2013

	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Special Purpose Local Option Sales Tax					
County jail contruction	$ 5,600,000	$ 5,489,045	$ 9,986	$ 5,499,031	98%
Grady County Hospital	750,000	750,000	-	750,000	100%
Recreation facilities Barber Park	750,000	1,215,723	-	1,215,723	100%
Roddenberry Memorial Library	100,000	100,000	-	100,000	100%
City of Cairo	750,000	750,000	-	750,000	100%
City of Whigham	50,000	50,000	-	50,000	100%
Retirement for existing indebtedness	-	191,826	-	191,826	100%
Total expenditures	$ 8,000,000	$ 8,546,594	$ 9,986	$ 8,556,580	
Special Purpose Local Option Sales Tax - 2002					
County roads, streets and bridges	$ 5,850,000	$ 6,524,284	$ 406,348	$ 6,930,632	100%
Grady County Volunteer Fire Department	600,000	505,000	-	505,000	84%
Recreation facilities Barber Park	360,000	288,905	-	288,905	80%
Grady County Joint IDA	600,000	666,253	-	666,253	100%
City of Cairo	4,290,000	4,512,043	-	4,512,043	100%
City of Whigham	300,000	312,286	-	312,286	100%
Total expenditures	$ 12,000,000	$ 12,808,771	$ 406,348	$ 13,215,119	
Special Purpose Local Option Sales Tax - 2007					
County roads, streets and bridges	$ 6,032,550	$ 9,612,513	$ 1,102,433	$ 10,714,946	100%
Grady County Volunteer Fire Department	250,000	-	13,511	13,511	5%
Hospital Authority imaging center	1,500,000	1,305,176	279,998	1,585,174	100%
Grady County Library	120,000	101,754	22,025	123,779	100%
Aquatic center recreational facility	900,000	-	25,772	25,772	3%
Grady County administrative office space	400,000	399,892		399,892	100%
Historical Society	200,000	172,055	36,857	208,912	100%
City of Cairo	4,272,450	3,712,648	792,477	4,505,125	100%
City of Whigham	325,000	281,422	60,253	341,675	100%
Debt service	-	-	1,061,871	1,061,871	100%
Total expenditures	$ 14,000,000	$ 15,585,460	$ 3,395,197	$ 18,980,657	

See independent auditors' report.

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INDEPENDENT AUDITORS' REPORT ON
STATE OF GEORGIA GRANT CERTIFICATION FORMS

To the Board of Commissioners
of Grady County, Georgia
Cairo, Georgia

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Forms about Grady County Georgia's compliance during the year ended December 31, 2013, with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for the following grant awards:

Grant Title	Grant Identification Number	Grant Award
Governor's Emergency Fund Grant	GEF-02-E03-75	$15,000
Governor's Discretionary Fund	341090050	$ 5,000
Local Assistance Grant	02-C-L-262	$ 5,000
Local Assistance Grant	02-C-L-891	$25,000
Governor's Emergency Fund Grant	GEF-97-E013-150	$10,000

Management is responsible for Grady County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Grady County, Georgia's compliance based on our examination.

Our examination was conducted in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Grady County, Georgia's compliance with this requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Grady County, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that Grady County, Georgia complied with the requirements referred to above for the year ended December 31, 2013 is fairly stated in all material respects.

Carr, Riggs & Ingram, L.L.C.

November 24, 2014
Tifton, Georgia

Grady County, Georgia
State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)
December 31, 2013

LINE		
A	Local Government	Grady County, Georgia
B	State Awarding Agency	Georgia Department of Community Affairs
C	Grant Identification Number	GEF-02-E03-75
D	Grant Title	Governor's Emergency Fund Grant
E	Grant Award Date	11/06/01
F	Grant Amount	$15,000

		COLUMN 1 **Current Year Activity** For the Year Ended:	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended:
G		12/31/2013	12/31/2013
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$2,460	
I	Grant Receipts or Revenue Recognized	$0	$15,000
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$0	$12,540
K	Disbursements or Expenditures for Audit Fees	$0	$0
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$2,460	$2,460

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date_____

Signature of Chief Financial Officer_____ Date_____

Grady County, Georgia
State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)
December 31, 2013

LINE		
A	Local Government	Grady County, Georgia
B	State Awarding Agency	Governor's Discretionary Fund
C	Grant Identification Number	341090050
D	Grant Title	Governor's Discretionary Fund
E	Grant Award Date	October 21,1999
F	Grant Amount	$5,000

		COLUMN 1 **Current Year Activity** For the Year Ended:	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended:
G		12/31/2013	12/31/2013
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$1,735	
I	Grant Receipts or Revenue Recognized	$0	$5,000
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$0	$3,265
K	Disbursements or Expenditures for Audit Fees	$0	$0
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$1,735	$1,735

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date_____

Signature of Chief Financial Officer_____ Date_____

Grady County, Georgia
State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)
December 31, 2013

LINE		
A	Local Government	Grady County, Georgia
B	State Awarding Agency	Georgia Department of Community Affairs
C	Grant Identification Number	02-C-L-262
D	Grant Title	Local Assistance Grant
E	Grant Award Date	07/02/01
F	Grant Amount	$5,000

		COLUMN 1 **Current Year Activity** For the Year Ended:	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended:
G		12/31/2013	12/31/2013
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$3,875	
I	Grant Receipts or Revenue Recognized	$0	$5,000
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$0	$1,125
K	Disbursements or Expenditures for Audit Fees	$0	$0
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$3,875	$3,875

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date_____

Signature of Chief Financial Officer_____ Date_____

Grady County, Georgia
State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)
December 31, 2013

LINE		
A	Local Government	Grady County, Georgia
B	State Awarding Agency	Georgia Department of Community Affairs
C	Grant Identification Number	02-C-L-891
D	Grant Title	Local Assistance Grant
E	Grant Award Date	07/02/01
F	Grant Amount	$25,000

		COLUMN 1 **Current Year Activity** For the Year Ended:	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended:
G		12/31/2013	12/31/2013
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$9,079	
I	Grant Receipts or Revenue Recognized	$0	$25,000
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$0	$15,921
K	Disbursements or Expenditures for Audit Fees	$0	$0
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$9,079	$9,079

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date_____

Signature of Chief Financial Officer_____ Date_____

Grady County, Georgia
State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)
December 31, 2013

LINE		
A	Local Government	Grady County, Georgia
B	State Awarding Agency	Georgia Department of Community Affairs
C	Grant Identification Number	GEF-97-E013-150
D	Grant Title	Governor's Emergency Fund Grant
E	Grant Award Date	06/23/97
F	Grant Amount	$10,000

		COLUMN 1 **Current Year Activity**		COLUMN 2 **Cumulative Grant Activity**
		For the Year Ended:		Through the Year Ended:
G		12/31/2013		12/31/2013
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$48		
I	Grant Receipts or Revenue Recognized	$0		$10,000
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$0		$9,952
K	Disbursements or Expenditures for Audit Fees	$0		$0
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$48		$48

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date_____

Signature of Chief Financial Officer_____ Date_____